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ABSTRACT

This report discusses amendments offered by the Committee on Education and Labor to H.R. 8, the Healthy Meals for Healthy Americans Act, which reauthorizes and improves the nutrition programs under the National School Lunch (NSL) Act and the Child Nutrition Act of 1966. Thirteen amendments to the NSL Act deal with: (1) technical assistance to school lunch, summer food service, and child and adult care food programs; (2) nutritional requirements; (3) special assistance to schools electing to serve all children free meals; (4) school lunch and breakfast pilot programs; (5) miscellaneous provisions and definitions; (6) the summer food service program; (7) the commodity distribution program; (8) the child and adult care food program; (9) the homeless children nutrition program; (10) pilot projects; (11) reduction of paperwork; (12) extension of the Food Service Management Institute; and (13) the duties of the Secretary of Agriculture relating to debarment for fraud or bid rigging in procurement of government commodities. Four amendments to the Child Nutrition Act address school breakfast and special supplemental programs, state administration expenses, and nutrition education and training. The views of the minority Republican members of the committee are also included. (MDM)

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103D CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPT. 103–535
Part 1

HEALTHY MEALS FOR HEALTHY AMERICANS ACT OF 1994

JUNE 3, 1994.—Ordered to be printed

Mr. FORD of Michigan, from the Committee on Education and Labor, submitted the following

REPORT

together with

MINORITY VIEWS

[To accompany H.R. 8]

[Including cost estimate of the Congressional Budget Office]

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The Committee on Education and Labor, to whom was referred the bill (H.R. 8) to amend the Child Nutrition Act of 1966 and the National School Lunch Act to extend certain authorities contained in such Acts through the fiscal year 1998, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Healthy Meals for Healthy Americans Act of 1994".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Sense of the Congress.

TITLE I—AMENDMENTS TO NATIONAL SCHOOL LUNCH ACT

Sec. 101. Technical assistance to ensure compliance with nutritional requirements under the school lunch program, the summer food service program for children, and the child and adult care food program.
Sec. 102. Nutritional and other program requirements.
Sec. 103. Special assistance for schools electing to serve all children free lunches or breakfasts.
Sec. 104. Establishment of universal school lunch and breakfast pilot program.
Sec. 105. Miscellaneous provisions and definitions.
Sec. 106. Summer food service program for children.
Sec. 107. Commodity distribution program.
Sec. 108. Child and adult care food program.
Sec. 109. Homeless children nutrition program.
Sec. 110. Pilot projects.

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Sec. 111. Reduction of paperwork.
Sec. 112. Extension of Food Service Management Institute.
Sec. 113. Duties of the Secretary of Agriculture relating to nonprocurement debarment under certain child nutrition programs.

TITLE II—AMENDMENTS TO CHILD NUTRITION ACT OF 1966

Sec. 201. School breakfast program.
Sec. 202. State administrative expenses.
Sec. 203. Special supplemental nutrition program.
Sec. 204. Nutrition education and training.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Consolidation of school lunch program and school breakfast program into comprehensive meal program.
Sec. 302. Study and report relating to use of private food establishments and caterers under school lunch program and school breakfast program.
Sec. 303. Report relating to unified accountability system under National School Lunch Act.
Sec. 304. Amendment to Commodity Distribution Reform Act and WIC Amendments of 1987.

SEC. 2. FINDINGS.

The Congress finds that—

(1) undernutrition along with environmental factors associated with poverty can permanently retard physical growth, brain development, and cognitive functioning of children;

(2) the longer a child's nutritional, emotional, and educational needs go unmet, the greater the likelihood of cognitive impairment;

(3) low-income children who attend school hungry score significantly lower on standardized tests than non-hungry low-income children; and

(4) supplemental nutrition programs under the National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) can help to offset threats posed to a child's capacity to learn and perform in school which results from inadequate nutrient intake.

SEC. 3. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

(1) funds should be made available for child nutrition programs to remove barriers to the participation of needy children in the school lunch program, school breakfast program, summer food service program for children, and the child and adult care food program under the National School Lunch Act (42 U.S.C. 1751 et seq.) and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

(2) the Secretary of Agriculture should take actions to further strengthen the efficiency of child nutrition programs by streamlining administrative requirements to reduce the administrative burden on participating schools and other meal providers; and

(3) as a part of efforts to continue to serve nutritious meals to youths in the United States and to educate the general public regarding health and nutrition issues, the Secretary of Agriculture should take actions to coordinate the nutrition education efforts of all nutrition programs.

TITLE I—AMENDMENTS TO NATIONAL SCHOOL LUNCH ACT

SEC. 101. TECHNICAL ASSISTANCE TO ENSURE COMPLIANCE WITH NUTRITIONAL REQUIREMENTS UNDER THE SCHOOL LUNCH PROGRAM, THE SUMMER FOOD SERVICE PROGRAM FOR CHILDREN, AND THE CHILD AND ADULT CARE FOOD PROGRAM.

(a) SCHOOL LUNCH PROGRAM.—Section 9(a)(1) of the National School Lunch Act (42 U.S.C. 1758(a)(1)) is amended—

(1) by striking "(1) Lunches served by schools" and inserting "(1)(A) Lunches served by schools"; and

(2) by adding at the end the following new subparagraph:

"(B) The Secretary shall provide technical assistance to those schools participating in the school lunch program under this Act to assist such schools in complying with the nutritional requirements prescribed by the Secretary pursuant to subparagraph (A). The Secretary shall provide additional technical assistance to those schools that are having difficulty maintaining compliance with such requirements.".

(b) SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.—Section 13(f) of such Act (42 U.S.C. 1761(f)) is amended—

(1) by adding after the first sentence the following new sentences: "The Secretary shall provide technical assistance to service institutions and private nonprofit organizations participating in the program to assist such institutions and organizations in complying with the nutritional requirements prescribed by the Secretary pursuant to this subparagraph. The Secretary shall provide additional technical assistance to those service institutions and private nonprofit organiza-

tions that are having difficulty maintaining compliance with such requirements."; and

(2) in the fourth sentence (as amended by paragraph (1)), by striking "Such meals" and inserting "Meals described in the first sentence".

(c) CHILD AND ADULT CARE FOOD PROGRAM.—Section 17(g)(1) of such Act (42 U.S.C. 1766(g)(1)) is amended—

(1) by striking "(1) Meals served by institutions" and inserting "(1)(A) Meals served by institutions"; and

(2) by adding at the end the following new subparagraph:

"(B) The Secretary shall provide technical assistance to those institutions participating in the program under this section to assist such institutions and family or group day care home sponsoring organizations in complying with the nutritional requirements prescribed by the Secretary pursuant to subparagraph (A). The Secretary shall provide additional technical assistance to those institutions and family or group day care home sponsoring organizations that are having difficulty maintaining compliance with such requirements.".

SEC. 102. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.

(a) MINIMUM NUTRITIONAL REQUIREMENTS BASED ON WEEKLY AVERAGE OF NUTRIENT CONTENT OF SCHOOL LUNCHES.—Section 9(a)(1)(A) of the National School Lunch (42 U.S.C. 1758(a)(1)(A)) (as amended by section 101(a)) is further amended—

(1) by striking "; except that such minimum nutritional requirements" and inserting ", except that—

"(i) such minimum nutritional requirements";

(2) by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new clause:

"(ii) such minimum nutritional requirements shall, at a minimum, be based on the weekly average of the nutrient content of school lunches.".

(b) NUTRITIONAL REQUIREMENTS RELATING TO PROVISION OF MILK.—Section 9(a)(2) of such Act (42 U.S.C. 1758(a)(2)) is amended to read as follows:

"(2) Lunches served by schools participating in the school lunch program under this Act—

"(A) shall offer students fluid milk; and

"(B) shall offer students a variety of fluid milk consistent with prior year demonstrated preferences unless the prior year preference for any such variety of fluid milk is less than 1 percent of the total milk consumed at the school.".

(c) INCREASED FLEXIBILITY RELATING TO USE OF INFORMATION SUBMITTED TO DETERMINE ELIGIBILITY UNDER PROGRAMS UNDER NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT OF 1966.—Section 9(b)(5) of such Act (42 U.S.C. 1758(b)(5)) is amended by adding at the end the following new sentences: "Except as provided in the next sentence, a local agency responsible for administering programs under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall use information submitted for the purpose of receiving benefits under such programs only for the purpose of determining eligibility for such benefits. Such local agency may use such eligibility determination to demonstrate the eligibility for benefits under other Federal, State, or local means-tested nutrition programs with comparable eligibility standards.".

(d) AUTOMATIC ELIGIBILITY OF HEAD START PARTICIPANTS.—

(1) IN GENERAL.—The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended—

(A) in section 9(b)(6)(A) (42 U.S.C. 1758(b)(6)(A))—

(i) in the matter preceding clause (i), by striking "a member of";

(ii) in clause (i)—

(I) by inserting "a member of" after "(i)"; and

(II) by striking "or" at the end of the clause;

(iii) in clause (ii)—

(I) by inserting "a member of" after "(ii)"; and

(II) by striking the period at the end of the clause and inserting "; or"; and

(iv) by adding at the end the following new clause:

"(iii) enrolled as a participant in a Head Start program authorized under the Head Start Act (42 U.S.C. 9831 et seq.), on the basis of a determination that the child is a member of a family that meets the low-income criteria prescribed under section 645(a)(1)(A) of the Head Start Act (42 U.S.C. 9840(a)(1)(A)).";

(B) in section 9(b)(6)(B) (42 U.S.C. 1758(b)(6)(B)), by striking "food stamps or aid to families with dependent children" and inserting "food stamps, aid

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to families with dependent children, or enrollment or participation in the Head Start program on the basis described in subparagraph (A)(iii)"; and

(C) in section 17(c) (42 U.S.C. 1766(c)), by adding at the end the following new paragraph:

"(5) A child shall be considered automatically eligible for benefits under this section without further application or eligibility determination, if the child is enrolled as a participant in a Head Start program authorized under the Head Start Act (42 U.S.C. 9831 et seq.), on the basis of a determination that the child is a member of a family that meets the low-income criteria prescribed under section 645(a)(1)(A) of the Head Start Act (42 U.S.C. 9840(a)(1)(A)).".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on October 1, 1995.

(e) DOCUMENTATION OF PRODUCTION PLANS.—Section 9 of such Act (42 U.S.C. 1758) is amended by adding at the end the following new subsection:

"(f)(1) The Secretary shall clarify that the primary need for documentation of production plans is to serve as a basis for ensuring that the meals under the school lunch program meet the nutrient needs of the children to be served under such program. The State shall determine whether existing records are adequate to ensure that the objective of the preceding sentence is met.

"(2) The Secretary shall clarify the need for internal controls in developing a claim for reimbursement under the school lunch program.".

(f) SEAFOOD PRODUCTION REQUIREMENTS.—Section 9 of such Act (42 U.S.C. 1758) (as amended by subsection (e)) is further amended by adding at the end the following new subsection:

"(g)(1) The Secretary shall ensure that fish and fish products purchased by schools participating in the school lunch program shall be—

"(A) inspected in compliance with the continuous official establishment and product inspection of the National Marine Fisheries Service; or

"(B) inspected in compliance with the hazard analysis critical control point requirements promulgated by the Food and Drug Administration.

"(2) For purposes of this subsection, the term 'fish and fish products' has the meaning given such term by the Food and Drug Administration in its proposal of January 28, 1994 (59 Fed. Reg. 4195).".

SEC. 103. SPECIAL ASSISTANCE FOR SCHOOLS ELECTING TO SERVE ALL CHILDREN FREE LUNCHES OR BREAKFASTS.

Section 11(a)(1) of the National School Lunch Act (42 U.S.C. 1759a(a)(1)) is amended—

(1) by striking "(a)(1) Except as provided" and inserting "(a)(1)(A) Except as provided";

(2) in the second sentence, by striking "In the case of" and inserting—

"(B) In the case of";

(3) in the third sentence—

(A) by striking "In the case of" and inserting—

"(C)(i) Except as provided in clause (ii), in the case of"; and

(B) by striking "(A)" and inserting "(I)" and by striking "(B)" and inserting "(II)";

(4) by adding at the end the following new clause:

"(ii)(I)(aa) In the case of any school that, on the date of the enactment of this clause, is serving all children in that school free lunches under the school lunch program in accordance with clause (i), special assistance payments shall be paid to the State educational agency with respect to such school for free lunches served to all children in such school during a period of five consecutive years in accordance with such clause.

"(bb) Any period of time in the current 3-year period during which the school served free lunches to all children in such school in accordance with clause (i) shall count toward the 5-year period described in division (aa).

"(cc) The State may grant an extension to such schools at the end of such 3-year period, only if the State determines, through available socioeconomic data approved by the Secretary, that the income level of the population of the school has remained stable. The State may further use such data in subsequent 5-year periods to ensure that the income level of the population of the school has remained stable.

"(II) A school described in subclause (I) may reapply to the State at the end of a 5-year period described in such subclause for the purpose of continuing to receive special assistance payments in accordance with such subclause for additional 5-year periods."; and

(5) by further adding at the end the following new subparagraph:

"(D) In the case of any school that (i) elects to serve all children in that school free lunches under the school lunch program during any period of 4 successive years, or in the case of a school that serves both lunches and breakfasts, elects to serve all children in that school free lunches and free breakfasts under the school lunch program and the school breakfast program during any period of 4 successive years and (ii) pays, from sources other than Federal funds, for the costs of serving such lunches or breakfasts, as the case may be, which are in excess of the value of assistance received under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) with respect to the number of lunches or breakfasts served during that period, total Federal cash reimbursements and total commodity assistance shall be provided to the State educational agency with respect to such school at a level equal to the total Federal cash reimbursements and total commodity assistance received by the school in the previous year, adjusted annually for changes in inflation in accordance with paragraph (3)(B) and for changes in enrollment, to carry out the purposes of the school lunch or school breakfast programs. The State may grant a renewal of the authority under the preceding sentence to such schools at the end of such 4-year period, if the State determines, through available socioeconomic data approved by the Secretary, that the income level of the population of the school has remained consistent with the income level of the population of the school in the year upon which the total Federal reimbursement is based.".

SEC. 104. ESTABLISHMENT OF UNIVERSAL SCHOOL LUNCH AND BREAKFAST PILOT PROGRAM.

(a) IN GENERAL.—The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended by inserting after section 11 the following new section:

"SEC. 11A. UNIVERSAL SCHOOL LUNCH AND BREAKFAST PILOT PROGRAM.

"(a) IN GENERAL.—

"(1) ESTABLISHMENT.—Subject to the availability of appropriations to carry out this section, the Secretary shall establish a universal school lunch and breakfast pilot program (in this section referred to as the 'pilot program').

"(2) DESCRIPTION.—The pilot program shall consist of school lunch and breakfast service offered without cost to all students in attendance at participating schools that wish to participate in a manner consistent with the requirements otherwise applicable to the school lunch program under this Act and to the school breakfast program under section 4 of the Child Nutrition Act of 1966.

"(3) ELIGIBILITY.—A school shall be eligible to participate in the pilot program if the school meets the following requirements:

"(A) At least 30 percent of all students participating in the school lunch program at the school are students who qualify for free or reduced price lunches.

"(B) At least 30 percent of all students participating in the school breakfast program at the school are students who qualify for free or reduced price breakfasts.

"(b) APPLICATION.—

"(1) IN GENERAL.—A school may participate in the pilot program only if such school submits to the Secretary an application containing such information as the Secretary may reasonably require.

"(2) CONTENTS.—Such application shall contain a plan describing—

"(A) the additional amount over the most recent prior year reimbursement amount received under the school lunch program and the school breakfast program (adjusted for inflation and enrollment) that the school would need from the Federal government to provide free lunches and breakfasts under the pilot program; and

"(B) the funding, if any, the school will receive from non-Federal sources to provide free lunches and breakfasts under the pilot program.

"(c) UNIVERSAL PAYMENT RATE.—

"(1) IN GENERAL.—Subject to paragraphs (3) and (4), in lieu of receiving the national average payment per lunch determined under section 4 and section 11, and the national average payment per breakfast determined under section 4 of the Child Nutrition Act of 1966, each school participating in the universal program shall receive the universal payment rates determined under paragraph (2) for each lunch and breakfast served under the program.

"(2) ESTABLISHMENT.—Subject to paragraph (3), the Secretary shall establish the universal payment rates for purposes of this section. Such rates shall be equal to the national average cost of producing a school lunch, and the national average cost of producing a school breakfast, respectively, as determined by the Secretary. In making the determination required by the preceding sentence, the

Secretary shall establish a maximum amount that can be charged to a participating school food service authority for indirect expenses.

"(3) COMMODITIES.—(A) Except as provided in subparagraph (B), a school participating in the pilot program shall receive commodities in an amount equal to the amount the school received in the prior year under the school lunch program under this Act and under the school breakfast program under section 4 of the Child Nutrition Act of 1966, adjusted for inflation and fluctuations in enrollment.

"(B) Commodities required for the pilot program in excess of the amount of commodities received by the school in the prior year under the school lunch program and the school breakfast program may be funded from amounts appropriated to carry out this section.

"(4) ADDITIONAL REQUIREMENTS.—(A) Except as provided in subparagraph (B), a school participating in the pilot program shall receive a total Federal reimbursement under the school lunch program and school breakfast program in an amount equal to the Federal reimbursement rate for the school in the prior year under each such program (adjusted for inflation and fluctuations in enrollment).

"(B) Funds required for the pilot program in excess of the level of reimbursement received by the school in the prior year (adjusted for inflation and fluctuations in enrollment) may be taken from any non-Federal source or from amounts appropriated to carry out this section. If funds required in addition to funds under subparagraph (A) are not available from non-Federal sources and no appropriations are made for the pilot program, schools may not participate in the program.

"(d) COMPETITIVE FOODS POLICY.—A school participating in the pilot program may sell competitive foods under regulations issued by the Secretary.

"(e) PROHIBITION OF WAIVER TO PROVIDE LUNCH AND BREAKFAST SERVICE WITHOUT COST.—Notwithstanding any other provision of law, the Secretary may not waive the requirement that the school will provide lunch and breakfast service without cost to all students at the school under the pilot program.

"(f) REPORTS.—

"(1) REPORTS TO THE SECRETARY.—The Secretary shall require each school participating in the pilot program to submit to the Secretary a report containing the following information:

"(A) A comparison of the participation rate of all students at the school in the pilot program to the participation of students under the school lunch program and the school breakfast program.

"(B) A comparison of the quality of meals served under the pilot program to the quality of meals served under the school lunch program and the school breakfast program.

"(C) An evaluation of the pilot program by students, parents, and administrators.

"(D) The participation rate in the pilot program of students who otherwise would be eligible for free and reduced price lunches and breakfasts under the school lunch program or the school breakfast program.

"(E) A comparison of the amount of administrative costs under the program with the amount of administrative costs under the school lunch and school breakfast programs.

"(F) The reduction in paperwork under the pilot program from the amount of paperwork under the school lunch and school breakfast programs at the school.

"(2) REPORTS TO THE CONGRESS.—

"(A) INTERIM REPORT.—Not later than September 30, 1997, the Secretary shall submit to the Congress an interim report containing—

"(i) a compilation of the information received by the Secretary under paragraph (1) as of this date from each school participating in the pilot program; and

"(ii) an interim evaluation of the program by the Secretary.

"(B) FINAL REPORT.—Not later than September 30, 1998, the Secretary shall submit to the Congress an final report containing—

"(i) a compilation of the information received by the Secretary under paragraph (1) as of this date from each school participating in the pilot program; and

"(ii) a final evaluation of the program by the Secretary.

"(g) SELECTION REQUIREMENT.—To the extent practicable, the Secretary shall select schools to participate in the pilot program in a manner which will provide for an equitable distribution among the following types of schools:

"(1) Urban and rural schools.

"(2) Elementary, middle, and high schools.
"(3) Low-, middle-, and high-income schools

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $15,000,000 for each of the fiscal years 1995 through 1998.".

(b) EFFECTIVE DATE.—The Secretary of Agriculture shall issue regulations to carry out section 11A of the National School Lunch Act (as added by subsection (a) of this section) that provide for the implementation of such section not later than July 1, 1995.

SEC. 105. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

(a) TECHNICAL AMENDMENT TO DEFINITION OF SCHOOL.—

(1) IN GENERAL.—Section 12(d)(5) of the National School Lunch Act (42 U.S.C. 1760(d)(5)) is amended—

(A) in the first sentence—

(i) in clause (A), by inserting "and" at the end of such clause;

(ii) in clause (B), by striking ", and" and inserting a period; and

(iii) by striking clause (C); and

(B) in the second sentence, by striking "of clauses (A) and (B)".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on October 1, 1995.

(b) REIMBURSEMENT FOR MEALS, SUPPLEMENTS, AND MILK UNDER CERTAIN PROGRAMS CONTINGENT UPON TIMELY SUBMISSION OF CLAIMS AND FINAL PROGRAM OPERATIONS REPORT.—Section 12 of such Act (42 U.S.C. 1760) is amended by adding at the end the following new subsection:

"(j)(1) Except as provided in paragraph (2), the Secretary may provide reimbursements for final claims for service of meals, supplements, and milk submitted to State agencies by eligible schools, summer camps, family day care homes, institutions, and service institutions only if—

"(A) such claims have been submitted to such State agencies not later than 60 days after the last day of the month for which the reimbursement is claimed; and

"(B) the final program operations report for such month is submitted to the Secretary not later than 90 days after the last day of such month.

"(2) The Secretary may waive the requirements contained in paragraph (1) at the discretion of the Secretary.".

(c) REQUIREMENT OF NEGOTIATED RULEMAKING PROCESS IN ISSUING REGULATIONS UNDER THE NATIONAL SCHOOL LUNCH ACT AND THE CHILD NUTRITION ACT OF 1966.—Section 12 of such Act (42 U.S.C. 1760) (as amended by subsection (b)) is further amended by adding at the end the following new subsection:

"(k)(1) The Secretary is authorized to issue such regulations as are necessary to reasonably ensure that there is compliance with this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

"(2)(A) Prior to publishing proposed regulations in the Federal Register to carry out this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) (except the special supplemental nutrition program under section 17 of such Act), the Secretary shall obtain the advice and recommendations of representatives of Federal, State, and local school administrators, school food service administrators, other school food service personnel, parents, teachers, industry representatives, public interest anti-hunger organizations, doctors specializing in pediatric nutrition, and nutritionists involved with the implementation and operation of programs under this Act and the Child Nutrition Act of 1966.

"(B) Such advice and recommendations may be obtained through such mechanisms as regional meetings and electronic exchanges of information. The Secretary shall take into account such information in the development of proposed regulations and shall publish a summary of such information in the Federal Register together with such proposed regulations.

"(C) After obtaining such advice and recommendations, and prior to publishing proposed regulations, the Secretary shall—

"(i) establish a negotiated rulemaking process on issues, including—

"(I) nutrition requirements and their implementation; and

"(II) program compliance and accountability requirements;

"(ii) select individuals to participate in such process from among individuals or groups which provided advice and recommendations, with representation from all geographic regions (to the extent possible, the Secretary shall select individuals reflecting the diversity in the program, including representatives of both large and small programs, as well as individuals serving urban and rural areas); and

"(iii) prepare a draft of proposed policy options that shall be provided to the individuals selected by the Secretary under clause (ii) not less than 45 days prior to the first meeting under such process.

"(D) Such process—

"(i) shall be conducted in a timely manner to ensure that final regulations are issued by the Secretary not later than 240 days after the date of the enactment of the Healthy Meals for Healthy Americans Act of 1994; and

"(ii) shall not be subject to the Federal Advisory Committee Act but shall otherwise follow the provisions of the Negotiated Rulemaking Act of 1990 (5 U.S.C. 561 et seq.).

"(E) In an emergency situation in which regulations to carry out this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) must be issued with a very limited time to assist State and local educational agencies with the operation of the program, the Secretary may issue proposed regulations without following such process but shall, immediately thereafter and prior to issuing final regulations, conduct regional meetings to review such proposed regulations.".

(d) AUTHORITY OF SECRETARY TO WAIVE STATUTORY AND REGULATORY REQUIREMENTS UNDER THE NATIONAL SCHOOL LUNCH ACT AND THE CHILD NUTRITION ACT OF 1966.—Section 12 of such Act (42 U.S.C. 1760) (as amended by subsections (b) and (c)) is further amended by adding at the end the following new subsection:

"(l)(1)(A) The Secretary may waive any requirement under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), or any regulation issued under such Acts, for a State or eligible service provider that requests a waiver if—

"(i) the Secretary determines that the waiver of such requirement would facilitate the ability of the State or eligible service provider to carry out the purpose of the program;

"(ii) a State or eligible service provider has provided notice and information to the public regarding the proposed waiver; and

"(iii) the State or eligible service provider demonstrates to the satisfaction of the Secretary that such waiver will not increase the overall cost of the program to the Federal government, and, if such waiver does increase such overall cost to the Federal government, such cost will be paid from non-Federal funds.

"(B) Such notice and information shall be provided in the same manner in which such State or eligible service provider customarily provides similar notices and information to the public.

"(2)(A) To request a waiver, a State or eligible service provider shall submit an application to the Secretary that—

"(i) identifies the statutory or regulatory requirements that are requested to be waived;

"(ii) in the case of a State requesting a waiver, describes actions, if any, that the State has undertaken to remove State statutory or regulatory barriers;

"(iii) describes the goal of the waiver to improve services under the program and the expected outcomes if the waiver is granted;

"(iv) includes a description of the impediments to the efficient operation and administration of the program;

"(v) describes the management goals to be achieved, such as fewer hours devoted to or fewer number of personnel involved in the administration of the program;

"(vi) provides a timetable for implementing the waiver; and

"(vii) describes the process the State or eligible service provider will use to monitor the progress in implementing the waiver, including the process for monitoring the cost implications of the waiver to the Federal government.

"(B) An application described in subparagraph (A) shall be developed by the State or eligible service provider and shall be submitted to the Secretary by the State.

"(3)(A) The Secretary shall act promptly on a waiver request contained in an application submitted under paragraph (2) and shall either grant or deny such request. The Secretary shall state in writing the reasons for granting or denying such request.

"(B) If the Secretary grants a waiver request, the Secretary shall state in writing the expected outcome of granting such a waiver.

"(C) The result of the decision of the Secretary shall be disseminated by the State or eligible service provider to interested parties, including educators, parents, students, advocacy and civil rights organizations, other interested parties, and the public.

"(D)(i) Except as provided in clause (ii), a waiver granted by the Secretary shall be for a period not to exceed three years.

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"(ii) The Secretary may extend such period if the Secretary determines that the waiver has been effective in enabling the State or eligible service provider to carry out the purposes of the program.

"(4) The Secretary may not grant a waiver under paragraph (3) of any requirement relating to—

"(A) the nutritional content of meals served;

"(B) Federal reimbursement rates;

"(C) the provision of free and reduced price meals;

"(D) offer versus serve provisions;

"(E) limits on the price charged for a reduced price meal;

"(F) maintenance of effort;

"(G) equitable participation of children in private schools;

"(H) distribution of funds to State and local school food service authorities;

"(I) prohibiting the disclosure of information relating to students receiving free or reduced price meals;

"(J) prohibiting the operation of a profit producing program;

"(K) the sale of competitive foods; and

"(L) enforcement of any constitutional or statutory right of an individual, including any right under—

"(i) title VI of the Civil Rights Act of 1964;

"(ii) Section 504 of the Rehabilitation Act of 1973;

"(iii) title IX of the Education Amendments of 1972;

"(iv) the Age Discrimination Act of 1975; and

"(v) the Americans with Disabilities Act of 1990.

"(5) The Secretary shall periodically review the performance of any State or eligible service provider for which the Secretary has granted a waiver and shall terminate the waiver if the performance of the State or service provider has been inadequate to justify a continuation of the waiver. The Secretary shall terminate the waiver if, after periodic review, the Secretary determines that the waiver has resulted in increased Federal spending and such increased Federal spending has not been paid for in accordance with paragraph (1)(A)(iii).

"(6)(A)(i) An eligible service provider that receives a waiver under this section shall annually submit to the State a report that—

"(I) describes the use of such waiver by the eligible service provider; and

"(II) evaluates how the waiver contributed to improved services to children served by the program for which the waiver was requested.

"(ii) The State shall annually submit to the Secretary a report that summarizes all reports received by the State from eligible service providers.

"(B) The Secretary shall annually submit to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report—

"(i) summarizing the use of waivers by the State and eligible service providers;

"(ii) describing whether such waivers resulted in improved services to children;

"(iii) describing the impact of such waivers on providing nutritional meals to participants; and

"(iv) describing how such waivers reduced the amount of paperwork necessary to administer the program.

"(7) For purposes of this subsection, the term 'eligible service provider' means—

"(A) a local school food service authority;

"(B) a service institution or private nonprofit organization described under section 13 of this Act; or

"(C) a family or group day care home sponsoring organization described under section 17 of this Act.".

SEC. 106. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) PRIORITY REQUIREMENTS FOR DETERMINING PARTICIPATION OF CERTAIN ELIGIBLE SERVICE INSTITUTIONS.—Section 13(a)(4) of the National School Lunch Act (42 U.S.C. 1761(a)(4)) is amended by striking subparagraphs (A) through (F) and inserting the following new subparagraphs:

"(A) Local schools.

"(B) All other service institutions and private nonprofit organizations eligible under paragraph (7) that have demonstrated successful program performance in a prior year.

"(C) Other service institutions and private nonprofit organizations eligible under paragraph (7).".

(b) ELIMINATION OF 1-YEAR WAITING PERIOD WITH RESPECT TO PARTICIPATION OF PRIVATE NONPROFIT ORGANIZATIONS IN CERTAIN AREAS UNDER THE PROGRAM.—Section 13(a)(7) of such Act (42 U.S.C. 1761(a)(7)) is amended by striking subparagraph (C) of such section.

(c) ELIMINATION OF WARNING IN PRIVATE NONPROFIT ORGANIZATION APPLICATION RELATING TO CRIMINAL PROVISIONS AND RELATED MATTERS.—Section 13(q) of such Act (42 U.S.C. 1761(q)) is amended—

(1) by striking paragraph (2);

(2) by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively; and

(3) in paragraph (3) (as redesignated), by striking "paragraphs (1) and (3)" and inserting "paragraphs (1) and (2)".

(d) EXTENSION OF PROGRAM.—Section 13(r) of such Act (42 U.S.C. 1761(r)) is amended by striking "1994" and inserting "1998".

SEC. 107. COMMODITY DISTRIBUTION PROGRAM.

Section 14 of the National School Lunch Act (42 U.S.C. 1762a) is amended—

(1) in subsection (a), by striking "1994" and inserting "1998"; and

(2) in subsection (b)—

(A) by inserting "(1)" after "(b)"; and

(B) by adding at the end the following new paragraphs:

"(2) The Secretary shall improve the overall nutritional quality of entitlement commodities provided to schools to assist the schools in improving the nutritional content of meals.

"(3) The Secretary shall—

"(A) require that nutritional content information labels be placed on packages or shipments of entitlement commodities provided to the schools; or

"(B) otherwise provide nutritional content information regarding the commodities provided to the schools.".

SEC. 108. CHILD AND ADULT CARE FOOD PROGRAM.

(a) REAPPLICATION FOR ASSISTANCE AT 3-YEAR INTERVALS.—Section 17(d)(2)(A) of the National School Lunch Act (42 U.S.C. 1766(d)(2)(A)) is amended by striking "2-year intervals" and inserting "3-year intervals".

(b) USE OF ADMINISTRATIVE FUNDS TO CONDUCT OUTREACH AND RECRUITMENT TO UNLICENSED DAY CARE HOMES.—Section 17(f)(3)(C) of such Act (42 U.S.C. 1766(f)(3)(C)) is amended—

(1) by striking "(C) Reimbursement for administrative expenses" and inserting "(C)(i) Reimbursement for administrative expenses"; and

(2) by adding at the end the following new clause:

"(ii) Funds for administrative expenses may be used by family or group day care home sponsoring organizations to conduct outreach and recruitment to unlicensed family or group day care homes so that such day care homes may become licensed.".

(c) INFORMATION AND TRAINING CONCERNING CHILD HEALTH AND DEVELOPMENT.—Section 17(k) of such Act (42 U.S.C. 1766(k)) is amended by adding at the end the following new paragraph:

"(4) The Secretary shall encourage family or group day care sponsoring organizations to provide information and training concerning child health and development to family or group day care homes participating in the program under such organizations.".

(d) EXTENSION OF STATEWIDE DEMONSTRATION PROJECTS.—Section 17(p) of such Act (42 U.S.C. 1766(p)) is amended—

(1) in paragraph (4)(B), by striking "1992" and inserting "1998"; and

(2) in paragraph (5), by striking "1994" and inserting "1998".

SEC. 109. HOMELESS CHILDREN NUTRITION PROGRAM.

(a) IN GENERAL.—The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended by inserting after section 17A the following new section:

"SEC. 17B. HOMELESS CHILDREN NUTRITION PROGRAM.

"(a) IN GENERAL.—The Secretary shall conduct projects designed to provide food service throughout the year to homeless children under the age of 6 in emergency shelters.

"(b) AGREEMENTS TO PARTICIPATE IN PROJECTS.—

"(1) IN GENERAL.—The Secretary shall enter into agreements with State, city, local, or county governments, other public entities, or private nonprofit organizations to participate in the projects under this section.

"(2) ELIGIBILITY REQUIREMENTS.—The Secretary shall establish eligibility requirements for the entities described in paragraph (1) that desire to participate

in the projects under this section. Such requirements shall include the following:

"(A) Each private nonprofit organization shall operate not more than 5 food service sites under the project and shall serve not more than 300 homeless children at each such site.

"(B) Each site operated by each such organization shall meet applicable State and local health, safety, and sanitation standards.

"(c) PROJECT REQUIREMENTS.—

"(1) IN GENERAL.—A project conducted under this subsection shall—

"(A) use the same meal patterns and receive reimbursement payments for meals and supplements at the same rates provided to child care centers participating in the child care food program under section 17 for free meals and supplements; and

"(B) receive reimbursement payments for meals and supplements served on Saturdays, Sundays, and holidays, at the request of the sponsor of any such project.

"(2) MODIFICATION.—The Secretary may modify the meal pattern requirements to take into account the needs of infants.

"(3) HOMELESS CHILDREN ELIGIBLE FOR FREE MEALS WITHOUT APPLICATION.—Homeless children under the age of 6 in emergency shelters shall be considered eligible for free meals without application.

"(d) NOTICE.—The Secretary shall advise each State of the availability of the projects established under this subsection for States, cities, counties, local governments and other public entities, and shall advise each State of the procedures for applying to participate in the project.

"(e) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of the Healthy Meals for Healthy Children Act of 1994, the Secretary shall submit to the appropriate committees of the Congress a report that includes—

"(1) an explanation of the actions the Secretary has taken to carry out subsection (d);

"(2) an estimate, if practicable, of the number of children living in homeless shelters who are not served by projects conducted under this section; and

"(3) a detailed plan for expanding the projects so that more eligible children may participate in such projects.

"(f) PLAN TO ALLOW PARTICIPATION IN THE CHILD AND ADULT CARE FOOD PROGRAM.—Not later than September 30, 1996, the Secretary shall submit to the appropriate committees of the Congress a plan describing how emergency shelters and homeless children who have not attained the age of 6 and who are served by such shelters under the program might participate in the child and adult care food program authorized under section 17 by September 30, 1998.

"(g) DEFINITIONS.—For purposes of this section, the following definitions apply:

"(1) APPROPRIATE COMMITTEES OF THE CONGRESS.—The term 'appropriate committees of the Congress' means the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(2) EMERGENCY SHELTER.—The term 'emergency shelter' has the meaning given such term in section 321(2) of the Stewart B. McKinney Homeless Assistance Act.

"(h) FUNDING.—

"(1) IN GENERAL.—In addition to any amounts made available under section 7(a)(5)(B)(i)(I) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(5)(B)(i)(I)), the Secretary shall, except as provided in paragraph (2), expend to carry out this section from amounts appropriated for purposes of carrying out this Act $3,000,000 for fiscal year 1995 and each succeeding fiscal year.

"(2) EXCEPTION.—The Secretary may expend less than the amount required under paragraph (1) if there is an insufficient number of suitable applicants.".

(b) CONFORMING AMENDMENTS.—

(1) NATIONAL SCHOOL LUNCH ACT.—Section 18 of the National School Lunch Act (42 U.S.C. 1769) is amended—

(A) by striking subsection (c); and

(B) by redesignating subsection (d) as subsection (c).

(2) CHILD NUTRITION ACT OF 1966.—Section 7(a)(5)(B)(i)(I) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(5)(B)(i)(I)) is amended—

(A) by striking "projects under section 18(c) of the National School Lunch Act (42 U.S.C. 1769(c))" and inserting "projects under section 17B of the National School Lunch Act"; and

(B) by striking "1993 and 1994" each place it appears and inserting "1995 through 1998".

SEC. 110. PILOT PROJECTS.

(a) COMMODITY LETTER OF CREDIT (CLOC) PROGRAMS.—Section 18(b) of the National School Lunch Act (42 U.S.C. 1769(b)) is amended—

(1) in paragraph (1)—

(A) in the 1st sentence, by striking ", and ending September 30, 1994"; and

(B) in the 2nd sentence, by striking "under this subsection" and inserting "under this paragraph"; and

(2) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall establish and carry out a statewide commodity letter of credit (hereafter in this paragraph referred to as 'CLOC') demonstration program in 1 State under which the Secretary provides all school districts in such State commodity letters of credit in lieu of all entitlement commodities for the school lunch programs of such school districts.

"(B) The Secretary may establish and carry out the statewide CLOC demonstration program under this paragraph only in a State in which, on the date of the application by such State to the Secretary to establish such program, 80 percent or more of the school districts participating in the school lunch program under this Act have elected to participate in the statewide CLOC demonstration program.

"(C) In carrying out the statewide CLOC demonstration program, the Secretary shall provide that—

"(i) all commodity letters of credit be issued to all school districts in the State in lieu of entitlement commodities for the school lunch program beginning on the first July 1st which occurs after the date of the enactment of this paragraph;

"(ii) child care agencies and nutrition programs for the elderly in the State shall be allowed to participate in the program; and

"(iii) the State agencies responsible for commodity distribution to child and elderly nutrition programs shall administer the program.".

(b) PROGRAM TO INCREASE OFFERINGS OF FRESH FRUITS AND VEGETABLES.—Section 18 of such Act (42 U.S.C. 1769) is amended by adding at the end the following new subsection:

"(d)(1) The Secretary shall establish a program beginning on the first July 1st which occurs after the date of the enactment of this subsection to assist schools in offering greater quantities of fresh fruits and vegetables to students in order to improve the overall nutritional quality of meals served under the school lunch program established under this Act.

"(2) The Secretary shall establish procedures under which all schools currently participating in the school lunch program established under this Act may apply to participate in the program.

"(3)(A) Subject to subparagraph (B), the Secretary shall, for each fiscal year in which a school participates in the program, provide commodity letters of credit to such school in an amount equal to 10 percent of the total commodity entitlement of such school under section 6 for each such fiscal year to be used for the purchase of fresh fruits and vegetables under the program.

"(B) The Secretary shall, for each fiscal year described in subparagraph (A), reduce the amount of the total commodity entitlement of such school under section 6 by the amount described in such subparagraph.".

(c) DEMONSTRATION PROGRAM TO PROVIDE MEALS AND SUPPLEMENTS OUTSIDE OF SCHOOL HOURS.—Section 18 of such Act (42 U.S.C. 1769) (as amended by subsection (b)) is further amended by adding at the end the following new subsection:

"(e)(1)(A) The Secretary shall establish a demonstration program to provide grants to eligible institutions or schools to provide meals or supplements to adolescents participating in educational, recreational, or other programs and activities provided outside of school hours.

"(B) The amount of a grant under subparagraph (A) shall be equal to the amount necessary to provide meals or supplements described in such subparagraph and shall be determined in accordance with reimbursement payment rates for meals and supplements under the child and adult care food program under section 17 of this Act.

"(2) The Secretary may not provide a grant under paragraph (1) to an eligible institution or school unless such institution or school submits to the Secretary an application containing such information as the Secretary may reasonably require.

"(3) The Secretary may not provide a grant under paragraph (1) to an eligible institution or school unless such institution or school agrees that—

"(A) it will use amounts from such grant to provide meals or supplements under educational, recreational, or other programs and activities for adolescents outside of school hours, and such programs and activities are carried out in geo-

graphic areas in which there are high rates of poverty, violence, or drug and alcohol abuse among school-aged youths; and

"(B) it will use the same meal patterns as meal patterns required under the child and adult care food program under section 17 of this Act.

"(4) D erminations with regard to eligibility for free and reduced price meals and supplem ts provided under programs and activities under this subsection shall be made in accordance with the income eligibility guidelines for free and reduced price lunches under section 9 of this Act.

"(5)(A) Except as provided in subparagraph (B), the Secretary shall expend to carry out this subsection from amounts appropriated for purposes of carrying out section 17 of this Act, $125,000 in each of the fiscal years 1995 through 1998. In addition to amounts described in the preceding sentence, the Secretary shall expend any additional amounts in any fiscal year as may be provided in advance in appropriations Acts.

"(B) The Secretary may expend less than the amount required under subparagraph (A) if there is an insufficient number of suitable applicants.

"(6) For the purposes of this subsection—

"(A) the term 'adolescent' means a child who has attained the age of 13 but has not attained the age of 19;

"(B) the term 'eligible institution or school' means—

"(i) an institution, as such term is defined in section 17 of this Act; or

"(ii) an elementary or secondary school participating in the school lunch program under this Act; and

"(C) the term 'outside of school hours' means after-school hours, weekends, or holidays during the regular school year.".

SEC. 111. REDUCTION OF PAPERWORK.

Section 19(a) of the National School Lunch Act (42 U.S.C. 1769a(a)) is amended by striking "and other agencies" and inserting "other agencies" and by inserting ", and families of children participating in such programs" after "assisted under such Acts".

SEC. 112. EXTENSION OF FOOD SERVICE MANAGEMENT INSTITUTE.

Section 21(e)(2) of the National School Lunch Act (42 U.S.C. 1769b-1(e)(2)) is amended to read as follows:

"(2) $1,700,000 for each of the fiscal years 1995, 1996, 1997, and 1998 for purposes of carrying out subsection (a)(2).".

SEC. 113. DUTIES OF THE SECRETARY OF AGRICULTURE RELATING TO NONPROCUREMENT DEBARMENT UNDER CERTAIN CHILD NUTRITION PROGRAMS.

(a) IN GENERAL.—The National School Lunch Act (42 U.S.C. 1751 et seq.) is amended by adding at the end the following new section:

"SEC. 25. DUTIES OF THE SECRETARY RELATING TO NONPROCUREMENT DEBARMENT.

"(a) PURPOSES.—The purposes of this section are to promote the prevention and deterrence of instances of fraud, bid rigging, and other anticompetitive activities encountered in the procurement of products for child nutrition programs by—

"(1) establishing guidelines and a timetable for the Secretary to initiate debarment proceedings, as well as establishing mandatory debarment periods; and

"(2) providing training, technical advice, and guidance in identifying and preventing such activities.

"(b) DEFINITIONS.—For purposes of this section, the following definitions apply:

"(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term 'appropriate congressional committees' means the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(2) CHILD NUTRITION PROGRAM.—The term 'child nutrition program' means—

"(A) the school lunch program established under this Act;

"(B) the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773);

"(C) the special milk program established under section 3 of such Act (42 U.S.C. 1772);

"(D) the special nutrition program for women, infants, and children authorized under section 17 of such Act (42 U.S.C. 1786);

"(E) the summer food service program for children established under section 13 of this Act;

"(F) the child and adult care food program established under section 17 of this Act; and

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"(G) the homeless children nutrition program under section 17B of this Act.

"(3) CONTRACTOR.—The term 'contractor' means a person that contracts with a State, an agency of a State, or a local agency to provide goods in conjunction with the participation of a local agency in a child nutrition program.

"(4) LOCAL AGENCY.—The term 'local agency' means a school, school food authority, child care center, sponsoring organization, or other entity authorized to operate a child nutrition program at the local level.

"(5) NONPROCUREMENT DEBARMENT.—The term 'nonprocurement debarment' means an action to bar a person from programs and activities involving Federal financial and nonfinancial assistance, but not including Federal procurement programs and activities.

"(6) PERSON.—The term 'person' means any individual, corporation, partnership, association, or other legal entity, however organized.

"(c) ASSISTANCE TO IDENTIFY AND PREVENT FRAUD AND ANTICOMPETITIVE ACTIVITIES.—The Secretary shall—

"(1) in cooperation with the food service management institute authorized under section 21 and with any other appropriate individual, organization, or agency, provide advice, training, technical assistance, and guidance (which may include awareness training, training films, and troubleshooting advice) to representatives of States and local agencies regarding means of identifying and preventing fraud and anticompetitive activities relating to the provision of goods in conjunction with the participation of a local agency in a child nutrition program; and

"(2) provide information to, and fully cooperate with, the Attorney General and State attorneys general regarding investigations of fraud and anticompetitive activities relating to the provision of goods in conjunction with the participation of a local agency in a child nutrition program.

"(d) NONPROCUREMENT DEBARMENT.—

"(1) IN GENERAL.—Except as provided in paragraph (3), not later than 180 days after notification of the occurrence of a cause for debarment described in paragraph (2), the Secretary shall initiate nonprocurement debarment proceedings against the contractor who has committed the cause for debarment.

"(2) CAUSES FOR DEBARMENT.—Actions requiring initiation of nonprocurement debarment pursuant to paragraph (1) shall include the following:

"(A) A contractor commits an action or series of actions which constitute a substantial and material violation of a regulation of a child nutrition program of the Department of Agriculture, as determined by the Secretary.

"(B) A contractor is found guilty in any criminal, civil, or administrative proceeding, or found liable in any civil or administrative proceeding, in connection with the supplying, providing, or selling of goods to any local agency or to any Federal agency in connection with the child nutrition programs, of—

"(i) an anticompetitive activity, including bid-rigging, price-fixing, the allocation of customers between competitors, or other violation of Federal or State antitrust laws;

"(ii) fraud, bribery, theft, forgery or embezzlement;

"(iii) breach of contract;

"(iv) making a false claim or statement; or

"(v) other obstruction of justice.

"(3) EXCEPTION.—If the Secretary determines that a decision on initiating nonprocurement debarment proceedings cannot be made within 180 days after notification of the occurrence of a cause for debarment described in paragraph (2) because of the need to further investigate matters relating to the possible debarment, the Secretary may have such additional time as the Secretary considers necessary to make a decision, but not to exceed an additional 180 days.

"(4) MANDATORY CHILD NUTRITION PROGRAM DEBARMENT PERIODS.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph and notwithstanding any other provision of law except subsection (e), if, after deciding to initiate nonprocurement debarment proceedings pursuant to paragraph (1), the Secretary decides to debar a contractor, the debarment shall be for a period of not less than 3 years.

"(B) PREVIOUS DEBARMENT.—If the contractor has been previously debarred pursuant to nonprocurement debarment proceedings initiated pursuant to paragraph (1), and the cause for debarment is described in paragraph (2) based on activities that occurred subsequent to the initial debarment, the debarment shall be for a period of not less than 5 years.

"(C) SCOPE.—At a minimum, a debarment under this subsection shall serve to bar the contractor for the specified period from contracting to provide goods in conjunction with the participation of a local agency in a child nutrition program.

"(D) REVERSAL, REDUCTION, OR EXCEPTION.—Nothing in this paragraph shall restrict the ability of the Secretary to reverse a debarment decision, to reduce the period or scope of a debarment, nor to grant an exception permitting a debarred contractor to participate in a particular contract to provide goods in conjunction with the participation of a local agency in a child nutrition program, if the Secretary determines there is good cause for the action.

"(5) INFORMATION.—On request, the Secretary shall present to the appropriate congressional committees information regarding the decisions required by this subsection.

"(6) RELATIONSHIP TO OTHER AUTHORITIES.—A debarment imposed under this section shall not reduce or diminish the authority of a Federal, State, or local government agency or court to penalize, imprison, fine, suspend, debar, or take other adverse action against a person in a civil, criminal, or administrative proceeding.

"(7) REGULATIONS.—The Secretary shall issue such regulations as are necessary to carry out this subsection.

"(e) MANDATORY DEBARMENT.—Notwithstanding any other provision of this section, the Secretary shall initiate nonprocurement debarment proceedings against the contractor (including any cooperative) who has committed the cause for debarment (as determined under subsection (d)(2)), unless the action—

"(1) is likely to have a significant adverse effect on competition or prices in the relevant market or nationally;

"(2) will interfere with the ability of a local agency to procure a needed product for a child nutrition program;

"(3) is unfair to a person, subsidiary corporation, affiliate, parent company, or local division of a corporation that is not involved in the improper activity that would otherwise result in the debarment; or

"(4) is not in the public interest, as determined by the Secretary.

"(f) EXHAUSTION OF ADMINISTRATIVE REMEDIES.—Prior to seeking judicial review in a court of competent jurisdiction, a contractor against whom a nonprocurement debarment proceeding has been initiated shall—

"(1) exhaust all administrative procedures prescribed by the Secretary; and

"(2) receive notice of the final determination of the Secretary.

"(g) INFORMATION RELATING TO PREVENTION AND CONTROL OF ANTICOMPETITIVE ACTIVITIES.—On request, the Secretary shall present to the appropriate congressional committees information regarding the activities of the Secretary relating to anticompetitive activities, fraud, nonprocurement debarment, and any waiver granted by the Secretary under this section.".

(b) APPLICABILITY.—Section 25(c) of the National School Lunch Act (as added by subsection (a)) shall not apply to a cause for debarment as described in section 25(d)(2) of such Act that is based on an activity that took place prior to the date of enactment of this Act.

(c) REPORT ON CONSISTENT DEBARMENT POLICY.—Not later than 120 days after the date of enactment of this Act, the Secretary of Agriculture, in consultation with the Director of the Office of Management and Budget, the Secretary of Defense, and such other officials as the Secretary of Agriculture determines are appropriate, shall advise the appropriate committees of the Congress and the Comptroller General of the United States as to the appropriateness and usefulness of a consistent debarment policy under—

(1) the Federal acquisition regulations issued under title 48, Code of Federal Regulations; and

(2) Federal nonprocurement regulations.

(d) NO REDUCTION IN AUTHORITY TO DEBAR OR SUSPEND A PERSON FROM FEDERAL FINANCIAL AND NONFINANCIAL ASSISTANCE AND BENEFITS.—The authority of the Secretary of Agriculture that exists on the date of enactment of this Act to debar or suspend a person from Federal financial and nonfinancial assistance and benefits under Federal programs and activities, on a government-wide basis, shall not be diminished or reduced by this Act or the amendment made by subsection (a).

TITLE II—AMENDMENTS TO CHILD NUTRITION ACT OF 1966

SEC. 201. SCHOOL BREAKFAST PROGRAM.

(a) TECHNICAL ASSISTANCE TO ENSURE COMPLIANCE WITH NUTRITIONAL REQUIREMENTS.—Section 4(e)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)) is amended—

(1) by striking "(1) Breakfasts served by schools" and inserting "(1)(A) Breakfasts served by schools"; and

(2) by adding at the end the following new subparagraph:

"(B) The Secretary shall provide technical assistance to those schools participating in the school breakfast program under this section to assist such schools in complying with the nutritional requirements prescribed by the Secretary pursuant to subparagraph (A). The Secretary shall provide additional technical assistance to those schools that are having difficulty maintaining compliance with such requirements.".

(b) PROMOTION OF PROGRAM.—Section 4(f)(1) of such Act (42 U.S.C. 1773(f)(1)) is amended—

(1) by inserting "(A)" after "(1)"; and

(2) by adding at the end the following new subparagraphs:

"(B) In cooperation with State educational agencies, the Secretary shall establish a program to promote the school breakfast program by—

"(i) marketing the program in a manner that expands participation in the program by schools and students; and

"(ii) improving public education and outreach efforts in language appropriate materials that enhance the public image of the program.

"(C) For purposes of this paragraph, the term 'language appropriate materials' means materials using languages other than the English language when those languages are dominant for a large percentage of individuals participating in the program.".

(c) STARTUP COSTS.—

(1) REAUTHORIZATION.—The first sentence of section 4(g)(1) of such Act (42 U.S.C. 1773(g)(1)) is amended by striking "$3,000,000" and all that follows through "1994" and inserting "$5,000,000 for fiscal year 1995 and each succeeding fiscal year".

(2) AMENDMENT TO DEFINITION OF ELIGIBLE SCHOOL.—Section 4(g)(5) of such Act (42 U.S.C. 1773(g)(5)) is amended—

(A) in the matter preceding subparagraph (A), by inserting "and subsection (h)" after "As used in this subsection"; and

(B) in subparagraph (B), by inserting "or expanded" after "established".

(d) EXPANSION OF PROGRAM.—Section 4 of such Act (42 U.S.C. 1773) is amended by adding at the end the following new subsection:

"EXPANSION OF PROGRAMS

"(h)(1) The Secretary may use not more than $1,000,000 of funds made available under subsection (g)(1) for any fiscal year to make payments on a competitive basis to State educational agencies for distribution to eligible schools to assist such schools with expenses incurred in expanding a school breakfast program established under this section. Payments received under this subsection shall be in addition to payments to which State educational agencies are entitled under subsection (b).

"(2) In making payments under this subsection in any fiscal year, the Secretary shall provide a preference to State educational agencies that submit to the Secretary—

"(A) a plan to expand school breakfast programs conducted in the State, including a description of—

"(i) the manner in which the agency will provide technical assistance and funding to schools in the State to expand the programs; or

"(ii) significant public or private resources that have been assembled to carry out the expansion of the programs during the year; or

"(B) documentation of the need for—

"(i) equipment, including the purchase, replacement, or upgrading of equipment associated with expanding the school breakfast program; or

"(ii) other needs, including a need for temporary personnel, or funds to defray administrative or other costs associated with expanding the school breakfast program.

"(3) Subparagraphs (B) and (C) of subsection (g)(2), and paragraphs (3) through (5) of subsection (g), shall apply to payments made under this subsection.".

SEC. 202. STATE ADMINISTRATIVE EXPENSES.

(a) WITHHOLDING OF FUNDS FOR SERIOUS DEFICIENCY IN STATE ADMINISTRATION OF PROGRAMS.—Section 7(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)) is amended by adding at the end the following new paragraph:

"(9)(A) If the Secretary determines that a State's administration of any program under this Act (other than section 17) or under the National School Lunch Act, or compliance with regulations issued pursuant to such Acts, is seriously deficient, and the State fails to correct the deficiency within a specified period of time, the Secretary may withhold from the State some or all of the funds allocated to the State under this section or under sections 13(k)(1) or 17 of the National School Lunch Act (42 U.S.C. 1761(k)(1) and 1766).

"(B) Upon a subsequent determination by the Secretary that the administration of any program referred to in subparagraph (A), or compliance with the regulations issued to carry out such programs, is no longer seriously deficient and is operated in an acceptable manner, the Secretary may allocate some or all of the funds withheld under such subparagraph.".

(b) EXTENSION OF AUTHORITY TO PROVIDE FUNDS FOR STATE ADMINISTRATIVE EXPENSES.—Section 7(h) of such Act (42 U.S.C. 1776(h)) is amended by striking "1994" and inserting "1998".

(c) PROHIBITION OF FUNDING UNLESS STATE AGREES TO PARTICIPATE IN CERTAIN STUDIES OR SURVEYS.—Section 7 of such Act (42 U.S.C. 1776) is amended—

(1) by redesignating subsection (h) (as amended by subsection (b)) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection:

"(h) The Secretary may not provide amounts under this section to a State for administrative costs incurred in any fiscal year unless the State agrees to participate in any study or survey of programs authorized under this Act or the National School Lunch Act and conducted by the Secretary.".

SEC. 203. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM.

(a) AMENDMENTS TO DEFINITION OF NUTRITIONAL RISK.—Section 17(b)(8) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(8)) is amended—

(1) in subparagraph (B), by inserting ", such as alcoholism or drug abuse" after "medical conditions"; and

(2) in subparagraph (D), by striking "and migrancy" and inserting "migrancy, and pregnancy".

(b) PROMOTION OF PROGRAM.—Section 17(e) of such Act (42 U.S.C. 1786(e)) is amended by adding at the end the following new paragraph:

"(5) The Secretary shall promote the program by producing and distributing materials, including television and radio public service announcements in English and other appropriate languages, that inform potentially eligible individuals of the benefits and services under the program.".

(c) PRESUMPTIVE ELIGIBILITY FOR CERTAIN PREGNANT WOMEN.—Section 17(d)(2) of such Act (42 U.S.C. 1786(d)(2)) is amended by adding at the end the following new subparagraph:

"(C) In the case of a pregnant woman who is otherwise ineligible for participation in the program because the family of such woman is of insufficient size to meet the income eligibility standards of the program, such pregnant woman shall be considered to have satisfied such income eligibility standards if, by increasing the number of individuals in the family of such woman by one individual, such income eligibility standards would be met.".

(d) PRIORITY CONSIDERATION FOR CERTAIN MIGRANT POPULATIONS.—Section 17(f)(3) of such Act (42 U.S.C. 1786(f)(3)) is amended by inserting before the period at the end the following: "and shall ensure that local programs provide priority consideration to serving migrant participants who are residing in the State for a limited period of time".

(e) INCOME ELIGIBILITY GUIDELINES.—Section 17(f)(18) of such Act (42 U.S.C. 1786(f)(18)) is amended to read as follows:

"(18) A State agency may implement income eligibility guidelines under this section concurrently with the implementation of income eligibility guidelines under the medicaid program prior to, but not later than, July 1 of each year.".

(f) USE OF RECOVERED PROGRAM FUNDS IN YEAR COLLECTED.—Section 17(f) of such Act (42 U.S.C. 1786(f)) is amended by adding at the end the following new paragraph:

"(23) A State agency may use funds recovered as a result of violations in the food delivery system of the program in the year in which such funds are collected for the purpose of carrying out the program.".

(g) EXTENSION OF PROGRAM.—Section 17 of such Act (42 U.S.C. 1786) is amended—

(1) in subsection (g)(1), by striking "1991, 1992, 1993, and 1994" and inserting "1995 through 1998";

(2) in subsection (h)(2)(A), by striking "1990, 1991, 1992, 1993 and 1994" and inserting "1995 through 1998"; and

(3) in subsection (m)(10)(A) by striking "$3,000,000 for fiscal year 1992, $6,500,000 for fiscal year 1993, and" and by inserting before the period at the end ", $10,500,000 for fiscal year 1995, and such sums as may be necessary for each of the fiscal years 1996, 1997, and 1998".

(h) USE OF FUNDS FOR TECHNICAL ASSISTANCE AND RESEARCH EVALUATION PROJECTS.—Section 17(g)(5) of such Act (42 U.S.C. 1786(g)(5)) is amended—

(1) by striking "and administration of pilot projects" and inserting "administration of pilot projects"; and

(2) by inserting at the end before the period the following:", and carrying out technical assistance and research evaluation projects of the programs under this section".

(i) BREASTFEEDING PROMOTION AND SUPPORT ACTIVITIES.—Section 17(h)(3) of such Act (42 U.S.C. 1786(h)(3)) is amended—

(1) in subparagraph (A)(i)(II), by striking "$8,000,000," and inserting "the national minimum breastfeeding promotion expenditure, as described in subparagraph (E),"; and

(2) by adding at the end the following new subparagraph:

"(E) The national minimum breastfeeding promotion expenditure means—

"(i) with respect to fiscal year 1995, the amount that is equal to $21 multiplied by the number of pregnant women and breastfeeding women nationwide, based on the average of the last 3 months for which the Secretary has final data; and

"(ii) with respect to each of the fiscal years 1996 through 1998, the amount described in clause (i) adjusted for inflation in accordance with paragraph (1)(B)(ii).".

(j) DEVELOPMENT OF STANDARDS FOR THE COLLECTION OF BREASTFEEDING DATA.—Section 17(h)(4) of such Act (42 U.S.C. 1786(h)(4)) is amended—

(1) in subparagraph (C), by striking the "and" at the end of such subparagraph;

(2) in subparagraph (D), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(E) not later than 1 year after the date of the enactment of this subparagraph, develop uniform requirements for the collection of data regarding incidence and duration of breastfeeding among participants in the program, and upon development of such uniform requirements, require each State agency to report such data for inclusion in the report to Congress described in section 17(d)(4).".

(k) SUBMISSION OF INFORMATION TO THE CONGRESS ON WAIVERS WITH RESPECT TO PROCUREMENT OF INFANT FORMULA.—Section 17(h)(8)(D)(iii) of such Act (42 U.S.C. 1786(h)(8)(D)(iii)) is amended by striking "at 6-month intervals" and inserting "on a timely basis".

(l) PROHIBITION ON INTEREST LIABILITY TO FEDERAL GOVERNMENT ON REBATE FUNDS.—Section 17(h)(8) of such Act (42 U.S.C. 1786(h)(8)) is amended by adding at the end the following new subparagraph:

"(L) A State will not incur an interest liability to the Federal Government on rebate funds for infant formula and other foods if all interest earned by the State on such funds is used for program purposes.".

(m) USE OF UNSPENT NUTRITION SERVICES AND ADMINISTRATION FUNDS.—Section 17(h) of such Act (42 U.S.C. 1786(h)(8)) is amended by adding at the end the following new paragraph:

"(10)(A) For each of the fiscal years 1995 through 1998, from unspent funds for nutrition services and administration from the previous fiscal year, the Secretary shall use $10,000,000 for the purposes specified in subparagraph (B), except that if the amount of such unspent funds is less than $10,000,000 for the previous fiscal year, the amount under this subparagraph shall equal the amount of such funds.

"(B) Funds under subparagraph (A) shall be used for—

"(i) development of infrastructure for the program under this section, including management information systems;

"(ii) special state projects of regional or national significance directed toward improving the services of the program under this section; and

"(iii) special breastfeeding support and promotion projects, including projects to assess the effectiveness of particular breastfeeding promotion strategies and to develop State or local agency capacity or facilities to provide quality breastfeeding services.".

(n) LIMITATION ON ELIGIBILITY FOR FARMERS' MARKET NUTRITION PROGRAM.—Section 17(m)(1) of such Act (42 U.S.C. 1786(m)(1)) is amended by striking ", or those who are on the waiting list to receive the assistance,".

(o) EXPANSION OF FARMERS' MARKET NUTRITION PROGRAM.—Section 17(m) of such Act (42 U.S.C. 1786(m)) is amended—

(1) in paragraph (5)(F)—

(A) in clause (i), by striking "15 percent" and inserting "17 percent";

(B) by striking clauses (ii) and (iii); and

(C) by inserting after clause (i) the following new clause:

"(ii) During any fiscal year for which a State receives assistance under this subsection, the Secretary shall permit the State to use 3 percent of total program funds for market development if the Secretary determines that the State intends to promote the development of farmers' markets in socially or economically disadvantaged areas or remote rural areas where individuals eligible for participation in the program have limited access to locally grown fruits and vegetables."; and

(2) in paragraph (11)(D), by inserting before the period at the end the following: "or any other agency approved by the chief executive officer of the State".

(p) CONTINUED FUNDING FOR CERTAIN STATES UNDER FARMERS' MARKET NUTRITION PROGRAM.—Section 17(m)(6)(A) of such Act (42 U.S.C. 1786(m)(6)(A)) is amended to read as follows:

"(6)(A) The Secretary shall continue to provide funding to States which participated in the program in the most recent fiscal year as prescribed by subparagraph (B) or as a part of the demonstration program authorized by this subsection in a fiscal year ending before October 1, 1991. After satisfying the requirements of subparagraph (B), the Secretary shall inform each State of the award of funds as prescribed by subparagraph (G) by February 1st of each year.".

(q) ADDITIONAL CONSIDERATION IN PROVIDING FUNDS TO SERVE ADDITIONAL RECIPIENTS IN STATES THAT RECEIVED ASSISTANCE IN THE PRIOR FISCAL YEAR UNDER FARMERS' MARKET NUTRITION PROGRAM.—Section 17(m)(6)(C) of such Act (42 U.S.C. 1786(m)(6)(C)) is amended—

(1) in clause (ii), by striking "and" at the end of such clause;

(2) in clause (iii), by striking the period at the end of such clause and inserting "; and"; and

(3) by adding at the end the following new clause:

"(iv) the number of persons receiving assistance under subsection (c) but not receiving benefits under this subsection.".

(r) PERCENTAGE OF ANNUAL APPROPRIATIONS AVAILABLE TO STATES UNDER FARMERS' MARKET NUTRITION PROGRAM.—Section 17(m)(6)(G) of such Act (42 U.S.C. 1786(m)(6)(G)) is amended—

(1) in clause (i), by striking "45 to 55 percent" and inserting "75 percent"; and

(2) in clause (ii), by striking "45 to 55 percent" and inserting "25 percent".

(s) ELIMINATION OF FUNDING CARRYOVER PROVISION UNDER FARMERS' MARKET NUTRITION PROGRAM.—Section 17(m)(10)(B)(i)(II) of such Act (42 U.S.C. 1786(m)(10)(B)(i)(II)) is amended by striking "or may be retained" and all that follows and inserting a period.

(t) ELIMINATION OF REALLOCATION OF UNEXPENDED FUNDS WITH RESPECT TO DEMONSTRATION PROJECTS UNDER FARMERS' MARKET NUTRITION PROGRAM.—Section 17(m)(10)(B)(ii) of such Act (42 U.S.C. 1786(m)(10)(B)(ii)) is amended by striking the second sentence.

(u) INITIATIVE TO PROVIDE PROGRAM SERVICES AT COMMUNITY AND MIGRANT HEALTH CENTERS.—Section 17 of such Act (42 U.S.C. 1786) is amended by adding at the end the following new subsection:

"(q)(1) The Secretary and the Secretary of Health and Human Services (hereafter in this subsection referred to as the 'Secretaries') shall jointly establish and carry out an initiative for the purpose of providing both supplemental foods and nutrition education under the special supplemental nutrition program and health care services to low-income pregnant, postpartum, and breastfeeding women, infants, and children at substantially more community health centers and migrant health centers.

"(2) Such initiative shall also include—

"(A) activities to improve the coordination of the provision of supplemental foods and nutrition education under the special supplemental nutrition program and health care services at facilities funded by the Indian Health Service; and

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"(B) development and implementation of strategies to ensure that, to the maximum extent feasible, new health care facilities established in medically underserved areas as a result of subsequent Federal health care reform legislation provide supplemental foods and nutrition education under the special supplemental nutrition program.

"(3) Such initiative may include—

"(A) outreach and technical assistance for State and local agencies and such health centers;

"(B) demonstration projects in selected State or local areas; and

"(C) such other activities as the Secretaries find appropriate.

"(4)(A) Not later than April 1, 1995, the Secretaries shall prepare and submit to the Congress an initial report on the actions the Secretaries intend to take to carry out the initiative.

"(B) Not later than July 1, 1996, the Secretaries shall prepare and submit to the Congress an interim report on the actions the Secretaries are taking under the initiative or actions the Secretaries intend to take under the initiative as a result of their experience in implementing the initiative.

"(C) Upon completion of the initiative, the Secretaries shall prepare and submit to the Congress a final report containing an evaluation of the initiative and a plan to further the goals of the initiative.

"(5) As used in this subsection—

"(A) the term 'community health center' has the meaning given such term under section 330 of the Public Health Service Act (42 U.S.C. 254c); and

"(B) the term 'migrant health center' has the meaning given such term under section 329 of the Public Health Service Act (42 U.S.C. 254b).".

(v) CHANGE IN NAME OF PROGRAM.—

(1) IN GENERAL.—Section 17 of such Act (42 U.S.C. 1786) is amended—

(A) by striking the section heading and inserting the following new section heading:

"SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN";

(B) in the first sentence of subsection (c)(1), by striking "special supplemental food program" and inserting "special supplemental nutrition program";

(C) in the second sentence of subsection (k)(1), by striking "special supplemental food program" each place it appears and inserting "special supplemental nutrition program"; and

(D) in subsection (o)(1)(B), by striking "special supplemental food program" and inserting "special supplemental nutrition program".

(2) REFERENCES.—Any reference to the "special supplemental food program" in any provision of law, regulation, document, record, or other paper of the United States shall be considered to be a reference to the "special supplemental nutrition program".

SEC. 204. NUTRITION EDUCATION AND TRAINING.

(a) USE OF FUNDS.—Section 19(f)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(f)(1)) is amended—

(1) by striking "(f)(1) The funds" and inserting "(f)(1)(A) The funds";

(2) by striking "for (A) employing" and inserting "for—

"(i) employing";

(3) by redesignating subparagraphs (B) through (I) as clauses (ii) through (ix), respectively;

(4) by indenting the margins of each of clauses (ii) through (ix) (as redesignated by paragraph (3)) as so to align with the margin of clause (i) (as amended by paragraph (2));

(5) by striking "and" at the end of clause (viii);

(6) by redesignating clause (ix) as clause (xvii);

(7) by inserting after clause (viii) the following new clauses:

"(ix) providing funding for a nutrition component in the health education curriculum offered to children in kindergarten through grade 12;

"(x) instructing teachers, school administrators, or other school staff on how to promote better nutritional health and to motivate children of varying linguistic and cultural backgrounds to practice sound eating habits;

"(xi) developing means of providing nutrition education in language-appropriate materials to children and families of children through after-school programs;

"(xii) training in relation to healthy and nutritious meals;

"(xiii) creating instructional programming, including language-appropriate materials and programming, for teachers, school food service personnel, and parents on the relationships between nutrition and health and the role of the food guide pyramid established by the Secretary;

"(xiv) funding aspects of the Strategic Plan for Nutrition and Education issued by the Secretary;

"(xv) increasing evaluation efforts at the State level regarding needs assessment for nutrition education efforts;

"(xvi) encouraging public service advertisements, including language-appropriate materials and advertisements, to promote healthy eating habits for children; and"; and

(8) by adding at the end the following new subparagraph:

"(B) For purposes of this paragraph, the term 'language appropriate materials' means materials using languages other than the English language when those languages are dominant for a large percentage of individuals participating in the program.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 19(i)(2)(A) of such Act (42 U.S.C. 1788(i)(2)(a)) is amended by striking "nutrition education and information programs" and all that follows and inserting "nutrition education and information programs $10,300,000 for each of the fiscal years 1995, 1996, 1997, and 1998.".

(c) AVAILABILITY OF FUNDS.—Section 19(i) of such Act (42 U.S.C. 1788(i)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by adding a new paragraph (3) to read as follows:

"(3) Funds made available to any State under this section shall remain available to the State for obligation in the fiscal year succeeding the fiscal year in which such funds were received by the State.".

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. CONSOLIDATION OF SCHOOL LUNCH PROGRAM AND SCHOOL BREAKFAST PROGRAM INTO COMPREHENSIVE MEAL PROGRAM.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary of Agriculture shall, not later than 1 year after the date of the enactment of this Act, develop and implement regulations to consolidate the school lunch program under the National School Lunch Act (42 U.S.C. 1751 et seq.) and the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) into a comprehensive meal program.

(b) REQUIREMENTS.—In establishing such comprehensive meal program under subsection (a), the Secretary shall meet the following requirements:

(1) The Secretary shall ensure that the program continues to serve children who are eligible for free and reduced price meals. Such meals shall meet the nutritional requirements under section 9(a)(1) of the National School Lunch Act (42 U.S.C. 1758(a)(1)) and under section 4(e)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)).

(2) The Secretary shall continue to make breakfast assistance payments in accordance with section 4 of the Child Nutrition Act of 1966 and food assistance payments in accordance with the National School Lunch Act.

(c) REPORTS.—

(1) INITIAL REPORT.—Prior to implementing the regulations described in subsection (a), the Secretary shall submit to the Congress a report containing a plan for the consolidation and simplification of the school lunch program and the school breakfast program.

(2) REPORTS WITH RESPECT TO CHANGE IN PAYMENT AMOUNTS.—If the Secretary proposes to change the amount of the breakfast assistance payment or the food assistance payment under the comprehensive meal program, the Secretary shall prepare and submit to the Congress a report containing recommendations for legislation to effect such change.

SEC. 302. STUDY AND REPORT RELATING TO USE OF PRIVATE FOOD ESTABLISHMENTS AND CATERERS UNDER SCHOOL LUNCH PROGRAM AND SCHOOL BREAKFAST PROGRAM.

(a) STUDY.—The Comptroller General of the United States, in conjunction with the Director of the Office of Technology Assessment, shall conduct a study on the use of private food establishments and caterers, including fast food and other restaurants, by schools that participate in the school lunch program under the National School Lunch Act (42 U.S.C. 1751 et seq.) or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773). In conducting such study, the Comptroller General of the United States shall—

(1) examine the extent, manner, and terms under which such private food establishments and caterers supply meals and food to students and schools that participate in the school lunch program or the school breakfast program;

(2) determine the nutritional profile of all foods provided by such establishments and caterers to students during school hours; and

(3) evaluate the impact that the services provided by such establishments and caterers have on the ability of local child nutrition programs to operate nutritionally sound and cost-effective programs.

(b) REPORT.—Not later than September 1, 1996, the Comptroller General of the United States shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains the findings, determinations, and evaluations of the study conducted pursuant to subsection (a).

SEC. 303. REPORT RELATING TO UNIFIED ACCOUNTABILITY SYSTEM UNDER NATIONAL SCHOOL LUNCH ACT.

The Comptroller General of the United States shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that analyzes—

(1) the status of the unified accountability system authorized under section 22 of the National School Lunch Act (42 U.S.C. 1769c);

(2) the advantages and disadvantages of the system; and

(3) the cost impact of the system on schools.

SEC. 304. AMENDMENT TO COMMODITY DISTRIBUTION REFORM ACT AND WIC AMENDMENTS OF 1987.

Section 3(h)(3) of the Commodity Distribution Reform Act and WIC Amendments of 1987 is amended by striking "Hawaii,".

EXPLANATION OF THE AMENDMENT

The amendment strikes all after the enacting clause and inserts a substitute text which is explained hereafter in this report.

PURPOSE

The purpose of H.R. 8, the Healthy Meals for Healthy Americans Act, is to reauthorize and improve expiring nutrition programs under the National School Lunch Act and the Child Nutrition Act of 1966. These programs include: the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); School Breakfast Startup and Expansion program, Homeless Preschoolers Nutrition Program, Summer Food Service Program, Nutrition Education and Training (NET), and the National Food Service Management Institute (NFSMI).

COMMITTEE ACTION

H.R. 8, the Healthy Meals for Healthy Americans was introduced by Mr. Kildee, Mr. Ford (of Michigan), and Mr. Goodling on January 5, 1993.

Hearings were held in Washington, D.C., on February 23, 1993, July 21, 1993, November 17, 1993, March 24, 1994, April 12, 1994, and April 14, 1994.

H.R. 8 was amended and approved by the Subcommittee on Elementary, Secondary, and Vocational Education on May 4, 1994. On May 18, 1994, the full Committee on Education and Labor ordered the bill favorably reported, as amended, by voice vote.

SUMMARY

H.R. 8 reauthorizes the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), formerly the Special Sup-

plemental Food Program for Women, Infants, and Children; proposes changes making qualitative improvements and adding administrative flexibility in child nutrition programs under the National School Lunch Act and the Child Nutrition Act of 1966; and extends child nutrition programs or projects that have proven themselves useful tools against childhood hunger, and therefore essential elements for learning. These programs include the summer food service program, the commodity distribution program, the nutrition education and training (NET) program, the school breakfast start-up grant program, the homeless pre-school nutrition program, and the authorization of funding for State Administrative Expenses and the Food Service Management Institute.

In 1993, the National School Lunch program served 4.2 billion lunches to about 25 million participating children, fifty-five percent of whom received meals free or at a reduced price. An average of 5.6 million children participated in the School Breakfast program. Children in 92,900 public and private schools and institutions had access to the national school lunch program. This access is essential given that low-income children consume one-third to one-half of their nutritional intake at school.

The connection between proper nutrition and education achievement is clear. A 1987 study of the impact of participation in the school breakfast program in Lawrence, Massachusetts, found an improvement in the achievement test scores, tardiness rates, and absenteeism after a school breakfast program was introduced. Research also indicates that inadequate nutrition may be far more serious than previously thought; that supplemental feeding programs can help to offset threats posed to a child's capacity to learn and perform in school which result from inadequate nutrient intake; and that summer food programs are critical for continuous provision of nutrients and calories for good health.

The health-related benefits of nutrition programs are equally important. Research indicates that each dollar spent on WIC saves between $1.92 and $4.21 in averted Medicaid costs for newborns and mothers. The U.S. General Accounting Office estimates that the 1990 Federal expenditures for WIC benefits for pregnant women will avert more than $1 billion in health-related costs over the next 18 years.

The Fiscal Year 1995 Budget Resolution assumes approximately $6 million in new entitlement authority beyond that necessary to continue existing child nutrition programs. Therefore, the Committee could not adopt amendments that would have expanded these entitlement programs beyond the available $6 million. The Committee proposes to allocate this authority so that: (1) children who meet the income eligibility requirements for Head Start are automatically eligible for the Child and Adult Care Food Program (CACFP); (2) a new pilot program is established providing the meals and supplements to older children outside of school hours in the same manner as meals are provided under CACFP; and (3) the Commodity Letter of Credit Program (CLOC) is modified.

H.R. 8 also proposes a number of changes designed to reduce paperwork and introduce increased flexibility into the child nutrition programs. These changes include: broad new waiver authority that will allow the Secretary to waive burdensome rules and regula-

tions; a pilot program under which schools will serve free breakfasts and lunches; requiring the Secretary of Agriculture to simplify and combine the school breakfast and lunch program; and establishing a new provision allowing schools to receive their previous year's total reimbursement adjusted for inflation thereby making it unnecessary to collect eligibility forms for a period of 4 years.

Major changes proposed in the WIC program include: increasing the funding available for breastfeeding promotion; allowing a pregnant woman to be considered income eligible for WIC if she will be considered as such once her child is born and her family size has increased by one; adding alcoholism, drug abuse, and pregnancy to the list of nutritional risk factors; and establishing a grant program to improve infrastructure and fund special projects of national and regional significance.

Good nutrition is critical to a child's ability to reach his or her full potential in mind and body and become a productive citizen. Undernourished children are less physically active, less attentive, and less independent and curious. They are more anxious and less responsive socially and cannot concentrate as well. As a result, their reading ability, verbal skills, and motor skills suffer. The improvements proposed by H.R. 8 will increase the effectiveness of child nutrition programs and in turn will help children succeed in school.

Background and Explanation of the Bill

The National School Lunch Act and the Child Nutrition Act of 1966 provide authority for Federal financing of eight meal service and nutrition programs. These programs, for which Federal cash and commodity support exceeded $7 billion in FY 1993, are the school lunch, school breakfast, child care food, summer food service, special milk, nutrition education and training (NET), State administrative expenses, and commodity distribution programs. Child nutrition programs provide food aid indirectly to children through institutions that operate meal services for children in schools, child care facilities, and summer programs. Meal service programs are designed to assist institutions in offering nutritionally balanced meals to children in their care. The programs are administered at the Federal level by the U.S. Department of Agriculture (USDA) and are financed annually under agricultural appropriations laws.

Federal support for child nutrition programs originated during the Great Depression when commodities bought by the government to relieve the price depressing effect of farm surpluses were donated to schools for lunch programs. The National School Lunch Act (NSCLA) was enacted in 1946, at the end of World War II, because so many draftees had failed their physical examinations due to nutrition related deficiencies. The stated purpose of the act was, and is today, "as a measure of national security, to safeguard the health and well-being of the Nation's children." More lower income children receive free or reduced price meals under child nutrition programs than receive benefits under the food stamp or aid to families with dependent children (AFDC) programs. Federal cash and commodity support for school meal programs represents the second single largest source of Federal aid to elementary and secondary

schools, and aid for the child and adult care food program is the single largest source of direct Federal support for children in day care. Approximately one-half of the 25 million meals served per day are provided free or at reduced-price to children from low-income families.

The authority for eleven child nutrition programs or projects will expire at the end of FY 1994 unless legislation extending them is enacted. These include the summer food service program, the commodity distribution program, the nutrition education and training (NET) program, the State administrative expenses (SAE) program; the school breakfast start-up grant program; the homeless preschool children's project; a two-State demonstration project providing alternative eligibility for the child care food program for proprietary child care facilities; authority for the continuation of Cash/CLOC commodity alternative schools; and the authorization of funding for the Food Service Management Institute. The school lunch, school breakfast, child and adult care food, and special milk programs are permanently authorized.

SENSE OF THE CONGRESS

Section 2 of H.R. 8, the Healthy Meals for Healthy Americans Act of 1994, contains findings concerning the dangers of undernutrition and how the Federal child nutrition programs help offset the threats posed by hunger. Section 3 is a sense of the Congress that funds need to be provided for these programs so that they can serve more needy children.

As previously stated, the 1995 Budget Resolution allowed for very little program growth above current services. The Committee had approximately $6 million in new entitlement authority to fund new initiatives and make improvements to existing programs. Many ideas for improving the programs and better addressing the nutritional needs of our children and youth could not be considered due to these budget constraints. The Committee hopes that resources for these programs will become available to make possible improvements such as: expanding summer food service; providing after school snacks under the school lunch program for all interested schools; making for-profit child care centers eligible for the Child and Adult Care Food Program if 25 percent of the enrolled children are eligible for free or reduced price lunches; and simplifying administrative procedures by allowing schools to participate in a comprehensive school nutrition program rather than requiring them to participate in as many as 4 different programs in order to serve the needs of hungry children in the community.

The Committee is keenly aware of the connection between adequate funding for the Federal nutrition programs and the success of the education programs under its jurisdiction. The mission of the classroom and the cafeteria are the same—to help children reach their full potential for achieving their goals as adults.

The Committee also encourages better coordination between the multiple nutrition education programs administered by the Department of Agriculture. The approximately $200 million used for nutrition education Department-wide could be spent more efficiently if the efforts to provide education to nutrition program participants were better coordinated.

AUTHORITY OF SECRETARY TO WAIVE STATUTORY AND REGULATORY REQUIREMENTS

The Committee feels strongly that Federal assistance for child nutrition programs should be provided in a way which eliminates unnecessary administrative burdens, paperwork, overly prescriptive regulations; and permits flexibility in the implementation of these programs. Therefore, H.R. 8 gives the Secretary of Agriculture broad authority to waive statutory and regulatory requirements under the National School Lunch Act and the Child Nutrition Act of 1966. There are, however, certain conditions required for granting a waiver: the facilitation of the implementation of the program; appropriate public notification; and no increase in the cost of the program. The waiver cannot be for more than three years.

States may request waivers on behalf of themselves, or eligible service providers by submitting an application to the Secretary. The application must: identify the statutory or regulatory requirements to be waived; describe the actions the State has taken to remove statutory or regulatory barriers; describe the goals, including management goals, and the expected outcomes of the waiver; describe the impediments interfering with the efficient operation of the program; describe the procedure for implementation; and describe the process for monitoring progress in implementing the waiver.

Waivers may be granted if the Secretary determines that the waiver would facilitate the ability of the State or service provider to carry out the purposes of the applicable program, the entity seeking the waiver has provided public notice regarding the request, and the waiver will not increase the overall cost of the program to the Federal government.

There are a number of provisions in the law which cannot be waived including the nutritional content of meals served; the Federal reimbursement rates; the provision of free and reduced price meals; the offer versus serve provisions; limits on the price charged for a reduced price meal; maintenance of effort; and enforcement of any constitutional or statutory rights of an individual.

One example of where a school may want to request a waiver would be to address instances where a child who receives free or reduced price meals brings his or her lunch to school but is not able to receive free milk. The Committee has been informed that there are instances where such children accept their meals under the school lunch program, only to throw away everything but their milk. A waiver would permit schools to serve children free milk on such occasions. Other examples would be requesting waivers to allow programs to contribute leftovers, if any, to soup kitchens or allowing children in the summer food service program to take leftovers home in a manner that will not jeopardize their health.

Reports describing and evaluating the effects of the waiver are also required.

NEGOTIATED RULEMAKING

H.R. 8 continues the practice begun by the Committee on 1988 by including language to require the Department of Agriculture to

participate in a negotiated rulemaking process prior to issuing certain proposed regulations. The Committee has previously included similar language with respect to the Secretary of Education in bills reauthorizing the Elementary and Secondary Education Act, the Higher Education Act, and the Vocational Educational Act.

The negotiated rulemaking process strengthens the implementation of programs by ensuring early consultation between the Federal government and those involved with programs prior to proposed regulations being issued. Such consultation involves notice of what the Department expects to do in its proposed regulations and the opportunity for discussion between appropriate groups and individuals and the Department which can involve the use of a negotiator. Consultation is important because it provides an opportunity for frank discussions as opposed to soliciting input without first providing specific information regarding what the Department is considering for proposed regulations in a specific area.

COMMODITY LETTER OF CREDIT (CLOC)

As reported, H.R. 8 includes several provisions related to the use of a commodity letter of credit (CLOC) to purchase commodities under the School Lunch Program. Under this option, schools receive a CLOC in lieu of actual commodities but must purchase the same surplus commodity the Department of Agriculture is removing from the marketplace during the period of time specified by the Department.

H.R. 8 includes 3 provisions related to CLOC. Current law authorizes 60 sites to receive their commodity entitlement in an alternative form—either cash in lieu of commodities, or a commodity letter of credit. The first provision makes the cash/CLOC demonstration project permanent. It does not allow for expansion, but simply allows current participants to continue to use this option which they have been operating under for more than 10 years.

The second provision would allow school districts to use 10 percent of their entitlement commodities in the form of a CLOC to purchase fresh fruits and vegetables. Witnesses testifying before the Subcommittee on Elementary, Secondary and Vocational Education expressed their frustration with the current commodity system and its inability to provide them with fresh fruits and vegetables which are in good condition. As a result, schools often refuse to accept these items at the same time they are attempting to increase the use of fresh fruits and vegetables in the diets of school children through the School Lunch Program.

Testimony indicated that school districts in areas where agricultural products are locally grown are often provided fruits and vegetables from other States when it is more convenient to buy locally and to buy in a form and size most acceptable for students. For example, Washington apples are often shipped to Pennsylvania in a size too large for an elementary school child to consume. Under this provision, a school could purchase apples locally in a preferable size. In addition, the Committee expects this provision to benefit the local agriculture community through increased purchases of locally-grown fruits and vegetables.

Until such time as a new mechanism can be put into place which can provide schools with such commodities in good condition, this provisions provides schools with an option.

The third and final provision provides for one statewide CLOC demonstration. The purpose of this provision is to address a concern expressed by the agriculture community that the current cash/CLOC demonstration has not been broad enough to allow for a determination of whether or not CLOC is as effective as the current system for removing surplus commodities from the marketplace. No State would be required to apply to participate in this demonstration and 80 percent of the school districts in the State must agree to take part in the project before they could apply to participate.

NONPROCUREMENT DEBARMENT

H.R. 8 contains a new section relating to nonprocurement debarment under certain child nutrition programs.

Testimony and information provided by the Department of Justice about the growing number of successful prosecutions for bid rigging, price fixing, and other anticompetitive activities affecting Federal child nutrition programs prompted the Committee to adopt a new section to the National School Lunch Act. This provision addresses the debarment practices of the Department of Agriculture when dealing with companies engaged in fraud and anticompetitive activities, actions which have the effect of depriving our nation's children of healthy, nutritious meals.

This new section requires the Secretary of Agriculture to initiate debarment proceedings under certain circumstances and in set time periods when in receipt of information which may lead to debarment. For example, these provisions would be applicable if a contractor committed an action or series of actions which would constitute a substantial and material violation of a regulation of a child nutrition program of the Department of Agriculture. If a party is found guilty, the Secretary is required to debar guilty parties for periods of 3 or 5 years unless there exists good cause for reducing this time period.

In addition to bid rigging, it is the intent of the Committee to address instances where a provider misrepresented a product or knowingly provided a product which did not meet contract specifications, such as "Buy American."

Lastly, this new section requires the Secretary of Agriculture in conjunction with other parties to provide training and guidance to local agencies regarding the means of identifying and preventing fraud and anticompetitive activities when they are procuring products for the child nutrition programs.

UNIVERSAL PILOT PROGRAM

The Committee wishes to expand its knowledge regarding the value of the Universal School Meal concept and explore how it would affect school districts in a variety of settings across the country. The universal meals concept assumes that meals provided in a school are served free to all children, or "universally" free. A universal program could fight childhood hunger, help schools reallocate resources from paperwork to implementing the dietary guidelines, provide an incentive for students to stay in school, promote

participation by students in the free and reduced-price income categories by eliminating the income identification stigma associated with the program, and help schools use the criteria as a learning laboratory for nutrition education.

The report to be issued regarding the pilots will examine a variety of important factors including a comparison of the quality of the meals; an evaluation of the meals by students, parents and administrators; the participation rate changes caused by the initiation of universal service; and a comparison of the administrative costs under the program with those under the current school lunch and school breakfast programs. By examining the data in this report, the Committee will be able to judge the value of a universal system more accurately.

Under the universal pilot, and school continues to receive the same reimbursement amounts from the school lunch and school breakfast programs, adjusted for inflation and enrollment fluctuations, as it received before entering the pilot program. The additional funds the school needs to create a universal school lunch and school breakfast program must come from non-Federal funds and/or the funds appropriated for this pilot.

Based on the amount of funds appropriated, the Secretary should choose from proposals submitted by a variety of elementary, middle, and high school programs serving students from different socioeconomic backgrounds in urban and rural areas. Choosing a variety of schools for participation will demonstrate the benefits and costs of a universal program in different settings.

Fifteen million dollars is authorized to be appropriated for this program and must be funded under the discretionary authority of the Appropriations Committee, not the entitlement authority. Therefore, it does not count against the $6 million available to the Committee for new initiatives.

NUTRITION REQUIREMENTS

The Committee reported bill contains several amendments designed to help improve the nutritional content of the school meals. The bill requires the Secretary to provide technical assistance to sponsoring institutions in their efforts to meet the nutritional requirements of the programs, with additional assistance being provided to those institutions that are having difficulty complying with such requirements. The Department is expected to issue proposed regulations updating the current meal pattern in the near future. The Committee supports the Department's efforts to incorporate current nutrition knowledge into the meal requirements of the child nutrition programs and views technical assistance as an important feature of insuring that the new nutritional content requirements are implemented effectively.

H.R. 8 includes provisions requiring the overall quality of the commodities provided to schools to be improved and requires all such commodities to be properly labeled concerning nutritional content so that they can be used effectively in planning nutritious meals.

An amendment was adopted by the Committee which requires that the nutrient requirements of the School Lunch Program shall be based, at minimum, on not less than a weekly average of the

minimum nutrient requirements. In order to achieve a proper balance between reducing dietary excesses and offering foods familiar to children that they like and will eat, which will maintain or expand participation, it is the Committee's firm intent that a weekly average, at a minimum, is the best way to guide the meal planning process with the greatest amount of local flexibility. Therefore, the nutrient content of a single food item or meal is not an appropriate measure of the nutritional merit of school meals. Limiting nutrient content to a single food item or meal to comply with minimum nutrition requirements is contrary to the intent of the amendment adopted in Committee. In meeting the nutritional requirements, the Committee urges that foods which are naturally good sources of vitamins and minerals should be emphasized over foods which have been enriched with vitamins and minerals.

H.R. 8, as amended, modifies current law relating to the provision of milk in the National School Lunch and School Breakfast Programs. Section 9 (a)(2) of the National School Lunch Act (42 U.S.C. 1758 (a)(2)) requires that lunches served by schools participating in the school lunch program offer fluid whole and unflavored lowfat milk. The amendment adopted by the Committee modifies current law to simply require schools to offer students fluid milk consistent with prior year demonstrated preferences, unless the prior year preference for any such variety of fluid milk is less than one percent of the total milk consumed at the school. The Committee considers this modification a significant step forward in addressing common concerns of whether schools should be required to offer fluid whole milk or any other named variety of milk.

Opponents of requiring schools to offer students a specified kind of fluid milk base their arguments on two general concepts: (1) the Federal government should not legislate the particular varieties of milk that should be offered to students, as this should be a local decision made by educators, parents, school food service personnel, nutritionists, and children; and (2) the provision of whole milk, because of its higher fat content, should not be mandated by the Federal government given that the new nutritional content requirements for school meals being developed by the USDA will likely stipulate that no more than 30% of calories from school means over a given time may be from fat. The supporters of the amendment in H.R. 8 find it inconsistent for the Federal government to require schools to limit the amount of fat in their lunch and breakfast programs, while at the same time, requiring schools to offer whole milk. In addition, in testimony presented to the Committee, school food service personnel stated that their bids for milk reflect student preference, except in the case of whole milk which they had to bid on and offer because of the Federal mandate. Some of the whole milk, they reported, is thrown away or used in cooking after the due date expires in schools for which there is no demand for whole milk.

Proponents of requiring schools to offer fluid whole and lowfat milk, and specifically, whole milk, argue that whole milk, in itself, is not an unhealthy food. Many children who need the nutritional content or calories prefer the taste of whole milk. There is a dramatic difference in the nutritional needs and caloric consumption among students. A small first-grade student will have dramatically

different caloric needs than a 165-pound football player in the high school senior class. Nutrition experts testified during Committee hearings on the need to provide such flexibility to meet individual needs and tastes. Without Federal guidance with regard to the types of milk offered in the School Lunch Program, schools will bid and purchase milk on the basis of lowest price alone, which does not ensure that children will have choices available to them, thus creating the possibility of lower consumption of milk. Schools simply must offer—not mandate the consumption of—whole and unflavored lowfat milk.

The Committee's intent in modifying current law is twofold. First, the issue of specific Federal milk mandates is addressed. Under the Committee's modified language, schools are simply required to offer milk based on children's demonstrated preferences. Schools do not have to offer a variety of milk which is not consumed by at least one percent of the students. Second, the concern that a wide variety of milk be made available is addressed by providing an assurance that schools will continue to offer milk according to demonstrated preferences. Therefore, the bidding process, as the starting point which leads to the eventual offering of milk, should also reflect the demonstrated preferences. Accordingly, bids solicited by a school in compliance with the modified requirement should be based on the proportionate quantifies of fluid milk including fluid whole milk or any other variety of milk if the 1 percent threshold is met at that school in the immediately preceding academic year.

It is also the intent of the Committee, in order to facilitate maximum flexibility, that a school may adjust the variety of fluid milk offered or the proportionate quantity of a particular variety of fluid milk offered to students if reflective of student preferences at that school. The Committee is concerned over the amount of paperwork required by schools participating in the school lunch and breakfast programs and does not intend for this flexibility of promulgate any burdensome paperwork requirements.

It is important to note that in the Committee's debate and adoption of the modified milk offerings provision, the Committee has addressed an authorizing issue within the Committee's jurisdictional purview. A provision in H.R. 2493, making appropriations for the Departments of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies for fiscal year 1994, prohibited funding to enforce the current milk requirements statute. On June 29, 1993, an amendment was adopted in the Committee on the Whole, 292–137, which struck that language. The issue of milk offerings remains, as it should, an authorizing, and not appropriations, matter. The Committee's position in this regard should be recognized.

The Committee is very concerned about continued reports of calcium deficiency among school children. Milk and dairy products are the single greatest source of calcium for school age children. Schools, whenever possible, are encouraged to include lowfat dairy products in meal planning. Expanded choice in offerings are vital to combatting nutrient deficiencies in children. An effective way to achieve increased student participation in school nutrition pro-

grams is through offering flavored lowfat milk and lowfat yogurt because they continue to be favorites among school-aged children.

ADMINISTRATIVE FLEXIBILITY

As previously stated, the Committee believes that it is necessary to streamline the existing child nutrition program so that schools will no longer have to participate in multiple programs in order to serve food to children at different times during the day. H.R. 8 includes an important provision designed to move the programs in that direction. The provision requires the Secretary to develop and implement regulations to consolidate the school breakfast and lunch programs into a comprehensive meal program within one year after enactment. The basic requirements concerning the need to serve free and reduced price meals, meet nutritional requirements, and make Federal assistance payments in accordance with the existing programs must be observed. If upon review of the issue, the Secretary proposes changes in the reimbursement levels currently provided under the programs, the Secretary must submit a report to Congress recommending legislative changes to effect the change.

In addition to the waiver authority provided in Section 105, H.R. 8 includes 2 provisions specifically designed to reduce the administrative burden associated with processing income eligibility applications for all students.

The first amendment modifies the existing meal count alternative referred to by regulation as "Provision 2". This provision allows schools that serve free meals to all students to enter into this 3 year option whereby income eligibility applications are collected only in the first year, but eligibility percentages are applied to daily meal counts in the second and third years based on the data established in the initial year. The amendment in H.R. 8 allows schools currently operating under Provision 2 to do so for a period of 5 years, rather than 3 years, if available socioeconomic data demonstrates that the income level of the school population has remained stable. Such schools would be allowed to participate in Provision 2 for 5 years for every successive Provision 2 cycle in which the opt to participate.

H.R. 8 also establishes a Provision 3, to allow more options for schools wishing to reduce paperwork. Under Provision 3, schools serving free meals to all children could opt to receive their total Federal reimbursement (including cash and commodities) from the previous year, adjusted annually for inflation and fluctuations in enrollment, for 4 year periods. Extensions could be granted on the basis of socioeconomic data demonstrating stability in the income status of the student population. The Committee expects that his option will be particularly useful to schools with high rates of free and reduced-price participation by alleviating the need to process income eligibility forms for 4 years.

Testimony and information provided by school food service directors indicates that time in needlessly spent providing documentation for records that have already been audited. H.R. 8 requires the Secretary to clarify that a claim for reimbursement is required to have an adequate audit trail. Current procedures require a claim to based on a positive count at point of service. Additional docu-

mentation must then be provided that students who were not eligible were not fed. This provision will allow the Secretary to set reasonable standards for those agencies whose claims for reimbursement are correct and who provide adequate audit trails. It also allows the Secretary to require additional controls for those agencies that have failed to keep adequate records.

H.R. 8 also contains a provision that documentation or production plans be clarified by the Secretary. Current regulations mandate that even where clear records and audit trail exist, additional forms must be filled out in a prescribed format. As an example, in the State of California these records for one year would stack a mile and a half high. This provision allows "outcome based" determination by State authorities approving those agencies where monthly inventories, purchases and serving records can be used to provide an audit trail that demonstrates that sufficient food stuffs have been purchased to meet the nutritional requirements of the meal served. This section will allow the State agency to use regulatory compliance as a measure of the adequacy of the records being kept, thereby providing record keeping flexibility.

AUTOMATIC ELIGIBILITY FOR HEAD START PARTICIPANTS

The Child and Adult Care Food Program (CACFP) provides meals to the great majority of Head Start participants. Under current law, income eligibility information from the Head Start participants must be specifically processed to establish eligibility for CACFP, even though if a child is income-eligible for Head Start, he or she also meets the income eligibility requirements of CACFP. H.R. 8 removes this duplication of paperwork by making children who are income-eligible for Head Start automatically eligible to receive meals under CACFP. This provision is effective October 1, 1995.

BREAKFAST STARTUP AND EXPANSION

H.R. 8 makes permanent the breakfast startup program funded at $5 million per year and allows up to $1 million of those funds to be used to expand existing breakfast programs. The success of the breakfast startup program has convinced the Committee that it is an important tool in meeting the Committee's goal of providing breakfast to more children by increasing the number of schools participating in the breakfast program. Participation in breakfast has increased significantly since the last child nutrition reauthorization, but more needs to be done. Extending the startup program and providing flexibility to expand existing programs should help in that effort.

SUMMER FOOD SERVICE PROGRAM

The summer food service program provides Federal funds for meals served during the summer months to children in programs operated by schools or local municipal or government agencies, or certain non-profit profit private sponsors, in "areas in which poor economic conditions exist." The Committee is concerned that the program is under utilized at this time. Over 12 million low-income children receive free and reduced price lunches every day during

the school year, but in 1992, only 1.9 million children ate meals at a summer food service site. If the good nutritional status and health of children fed during the school year through the breakfast and lunch programs are to be maintained, attention must be paid to their access to food during the summer months.

H.R. 8 establishes priorities for selecting summer food sponsor as follows: (1) schools; (2) service institutions and private nonprofit organizations that have demonstrated successful program performance; and (3) other service institutions and private nonprofit organizations. The bill also eliminates the 1-year waiting period for private nonprofit organizations that want to operate programs previously operated by public institutions.

HOMELESS PRESCHOOLERS NUTRITION PROGRAM

H.R. 8 makes permanent and expands the Homeless Preschoolers Nutrition Program which is currently operating as a demonstration program. The bill also requires the Secretary to develop a plan for how the program can be incorporated into the Child and Adult Care Food Program (CACFP). The Committee is pleased with the success of the homeless preschoolers nutrition program and its growth. Homeless children are particularly vulnerable to the threat of undernutrition and their numbers are growing. It is important that their nutritional needs must be met to help insure they are ready to learn in school. A homeless child bears innumerable burdens. It is essential that everything possible be done to insure that hunger is not one of them.

SUPPLEMENTAL FOOD PILOT

H.R. 8 authorizes a pilot program to provide Federal reimbursements for meals and snacks served to teenagers ages 13 through 18 in after-school programs. These meals would be served on the same basis and with the same income restrictions used under CACFP. The major purpose of this pilot project is to demonstrate that there are children over the age of 13 who are participating in child care who are not able to receive meals and supplements under CACFP, while their younger peers at the same child care facility are able to participate. There are many schools, churches, community groups and others who are working hard to provide safe, positive, productive alternatives after school for our young people. This will enable them to offer additional incentives for low-income students to participate.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN INFANTS, AND CHILDREN (WIC)

The WIC program is one of the most effective programs funded by the Federal government. WIC provides nutritious food, nutrition education and referral to health care to low-income women and their children up to age 5. Despite its proven effectiveness, the program is able to serve only two-thirds of those eligible due to limited funding.

In 1991, five corporate executives testified before the House Budget Committee supporting the full-funding of WIC. William Woodside, the Chairman of Sky Chefs, Inc., described WIC as hav-

ing a "stunning record of effectiveness" with a long history of "research findings that demonstrate it produces remarkable results."

The results of WIC are indeed remarkable. WIC decreases the incidence of very low birth weight by 44 percent and lowers the incidence of late fetal deaths by up to one-third. But WIC's benefits reach far beyond infancy. Children who participate in WIC appear to be better prepared for school. Four and 5-year-olds whose mothers participated in WIC during pregnancy were found to have higher vocabulary test scores. In addition, children who participated in WIC after their first birthday scored higher on memory tests. It is the children between the ages of one and five that are currently most under-served by the program, and this must be addressed.

The fiscal benefits of WIC are also remarkable. Every dollar spent on a pregnant woman under WIC saves between $1.92 and $4.21 in Medicaid costs for newborns and mothers and from $2.98 to $4.75 for newborns alone. WIC is the very first step in promoting good health and preventing disease for some of our most vulnerable citizens and the Committee recognizes the essential role it plays in insuring that low-income children have the ability to take advantage of lessons offered in the classroom.

Many of the amendments to the WIC program are designed to promote breastfeeding among WIC participants. The Committee received very convincing testimony concerning the benefits of breastfeeding. Breastfeeding has a direct effect on a child's immune system and his or her ability to learn. Breast fed babies have a lower incidence of hospitalization and score higher on gross motor skill and I.Q. tests. For these reasons the Committee expressed its commitment to encouraging breastfeeding by replacing the existing $8 million breastfeeding promotion set aside with a set aside based on a per woman expenditure of $21 which will be adjusted for inflation to maintain the level of commitment over the course of the authorization. In calculating the total expenditure, the Secretary is instructed to use the participation data from the most recent three months for which the Department has final data. Final data means data that USDA refers to as "closed out".

The bill also contains language that will strengthen the breastfeeding data collection activities and that provides funds that will make it possible for the Department to conduct a study which explores the effectiveness of various types of breastfeeding support activities which are or could be used by WIC agencies and which assesses the levels of resources needed to insure that all pregnant and breastfeeding participants receive the education and support they need to increase the proportion of WIC participants who breast feed.

The bill expands the definition of "nutritional risk" to include alcoholism, drug abuse and pregnancy. Each condition implies specific risks to a woman's nutritional well being. In the case of pregnancy, the Congressional Budget Office estimates that 100 percent of women who are pregnant and meet the WIC income eligibility requirements are found to be nutritionally at-risk at some point during their pregnancy. The Committee intends that pregnant applicants receive a full nutritional, medical, and dietary assessment for nutritional risk conditions, and that the assessment be as complete as any other applicant's. This is necessary to tailor nutrition

education to the pregnant woman's specific needs and to refer her to the full range of health services that she needs.

Another provision designed to meet the needs of the pregnant woman allows pregnant women to be considered income eligible for the program if they will be considered as such once their child is born and their family size is increased by one.

Two other issues of concern to the Committee are the need for WIC clinic hours that are convenient for working low-income families and the need for culturally appropriate food packages. As WIC reaches full funding, the issue of having convenient hours for working women will become even more pressing. The 1989 WIC reauthorization included language requiring the Secretary to establish minimum standards for the locations at which and times during which program services shall be available. The final regulations on this provision were recently issued. The Committee wants to be kept informed about the implementation of these regulations and their effect on improving access to the program for low-income working mothers.

The Committee also believes it is vitally important to effectively address the issue of culturally appropriate food packages given the numerous ethnic and cultural groups served by the program and looks forward to reviewing the information that the Department plans to collect on this issue.

WIC FARMERS' MARKET NUTRITION PROGRAM

The WIC Farmers' Market Nutrition Program provides coupons to WIC participants that can be redeemed for fresh fruits and vegetables at farmers' markets. In addition to receiving coupons, WIC participants receive information about the benefits of fruits and vegetables and how they can be prepared. This program has increased the intake of fruits and vegetables among WIC participants through issuing the coupons and by the fact that participants tend to purchase additional fruits and vegetables beyond the value of the coupons. The amendments to the program support the growth of existing programs in participating States and the participation of new States in the program.

The Department has been distributing additional funds to States which participated in the Farmers' Market Nutrition Program in the prior fiscal year on the basis of the size of the state's grant in the previous year. As a result, each State is awarded a pro rata share of additional funds based upon the percentage of the annual appropriation which it received in the prior fiscal year. Thus, if a state's program started out on a small scale, its growth would be permanently limited to a very slow rate of expansion. H.R. 8 specifies that the number of WIC clients currently unable to participate in the WIC Farmers' Market Nutrition Program in a participating State will be taken into account when allocating funds.

Fifteen new States were approved to enter the Farmers' Market Nutrition Program in 1994. As a result, 26 States will operate the program this summer, which more than doubles the number of States in just one year. New States generally request modest amounts of Federal funds in the initial year of operation. During the second and ensuing years, once the program has built a solid track record, State agencies request higher levels of funding in

order to expand the program in unserved areas. In fiscal year 1994, the requests for funds from current States far exceeded the requests from new States by a factor of 4 to 1. H.R. 8 addresses this issue by adjusting the formula for allocating annual appropriations. Current law allows 45 to 55 percent of the annual appropriation to be distributed among existing states, and the remaining 45 to 55 percent to be distributed to new states. H.R. 8 allows 75 percent of the appropriation to be used to expand existing programs, and 25 percent to be used to start new programs to more appropriately reflect the needs of States participating in the program.

Current law allows States the ability to carry forward or spend back up to 5 percent of their total grants for a given fiscal year. H.R. 8 would eliminate the option to carry unspent funds forward into a subsequent fiscal year, and would prevent a State from holding onto funds that it cannot use, while other States that need additional funds go unfunded. This amendment is intended to apply to the ability of States to carry forward funds into fiscal year 1995. The spend back authority of States pertains to both food and administrative funds in the same proportion as provided in paragraph (5)(F).

STUDY OF USE OF PRIVATE FOOD ESTABLISHMENTS AND CATERERS

Recognizing the increasing participation of private food vendors in the school meal programs, H.R. 8 requires that a study be conducted by the U.S. General Accounting and the Office of Technical Assistance that will provide a comprehensive picture of the extent to which such food is sold in school cafeterias. Questions have been raised about the increasing number of students that are eating fast food in schools and the extent to which nutritionally deficient items are being sold on an a la carte basis or being incorporated into school meals.

It is especially important that the study provide the information necessary to determine the effect that sales of competitive foods are having on the nutritional health of students and on the viability of school lunch and school breakfast programs.

OVERSIGHT STATEMENT

In compliance with clause 2(l)(3)(A) of Rule XI of the Rules of the House of Representatives, this report embodies the findings and recommendations of the Subcommittee on Elementary, Secondary, and Vocational Education, established pursuant to clause 4(a) of the rules of the Committee on Education and Labor. Pursuant to its ongoing oversight responsibilities, the Committee has determined that legislation should be enacted as set forth in H.R. 8.

INFLATIONARY IMPACT STATEMENT

In compliance with clause 2(l)(4) of Rule XI of the Rules of the House of Representatives, the Committee estimates that the enactment into law of H.R. 8 will have little inflationary impact on prices and costs in the operation of the national economy. It is the judgment of the committee that the inflationary impact of this legislation as a component of the Federal budget is negligible.

OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT OPERATIONS

In compliance with clause 2(1)(3)(D) of Rule XI of the Rules of the House of Representatives, the Committee states that no findings or recommendations of the Committee on Government Operations were submitted to the Committee.

COST OF THE LEGISLATION

A. CONGRESSIONAL BUDGET OFFICE ESTIMATE

In compliance with clause 2(l)(3) (B) and (C) of rule XI of the Rules of the House of Representatives, the estimate prepared by the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act of 1974, submitted prior to the filing of this report, is set forth as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 27, 1994.

Hon. WILLIAM D. FORD,
Chairman, Committee on Educational and Labor, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office (CBO) has prepared the enclosed cost estimate for H.R. 8, the Healthy Meals for Healthy Americans Act of 1994, as ordered reported by the Committee on Education and Labor on May 18, 1994. The bill would extend authorizations for certain expiring child nutrition programs and make amendments to other child nutrition programs.

Enactment of H.R. 8 would affect direct spending and receipts and thus would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 8.
2. Bill title: Healthy Meals for Healthy Americans Act of 1994
3. Bill status: As ordered reported by the Committee on Education and Labor on May 18, 1994.
4. Bill purpose: To extend authorizations for expiring child nutrition programs, and to make amendments to other child nutrition programs.
5. Estimated cost to the Federal Government:

FEDERAL GOVERNMENT COSTS

[By fiscal year, in millions of dollars]

	1995	1996	1997	1998	1999
Direct spending:					
Reauthorization of expiring programs assumed to continue in CBO baseline:					
Estimated budget authority	337	362	388	416	.....
Estimated outlays	287	358	384	412	62
Costs above CBO baseline:					
Estimated budget authority	23	32	36	41	29
Estimated outlays	22	32	31	41	31
Total direct spending:					
Estimated budget authority	360	394	424	457	29
Estimated outlays	309	390	415	453	93
Amounts subject to appropriations:					
Estimated authorization of appropriations	3,327	3,419	3,508	3,602	.....
Estimated outlays	3,015	3,411	3,500	3,594	336

Note.—Details may not add to totals because of rounding.

The costs of this bill fall primarily within budget function 600.

Basis of estimate: H.R. 8 would extend through 1998 the authorizations for several child nutrition programs, including the supplemental Nutrition Program for Women, Infants and Children (WIC), the Summer Food Service Program for Children, the Commodity Distribution program, State Administrative Expenses, and several smaller programs. The bill would also make a number of changes to the national School Lunch program, the School Breakfast program, the child and Adult Care Food program, and other permanently authorized child nutrition programs.

The CBO baseline assumed the continuation of two of the programs reauthorized under H.R. 8, Summer Food Service for Children and State Administrative Expenses. This baseline assumption is consistent with section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985, which states that "no (direct spending) program with estimated current-year outlays greater than $50 million shall be assumed to expire in the budget year or outyears." As shown in the table above, the baseline costs for these two programs total $337 million in budget authority in 1995, increasing to $416 million by 1998. Other direct spending changes increase budget authority by an additional $23 million in 1995, $32 million in 1996, $36 million in 1997, $41 million in 1998, and $29 million in 1999. A detailed table of costs begins on page 3, followed by a discussion of sections with costs totalling $1 million or more over the five-year projection period.

TABLE 1.—DETAILS OF FEDERAL GOVERNMENT COSTS OF H.R. 8

[By fiscal year, in millions of dollars]

Title/Section	1995	1996	1997	1998	1999	5-year total
TITLE I. AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT						
101 Codify authorization of technical assistance:						
Estimated budget authority	0	0	0	0	0	0
Estimated outlays	0	0	0	0	0	0

TABLE 1.—DETAILS OF FEDERAL GOVERNMENT COSTS OF H.R. 8—Continued

(By fiscal year, in millions of dollars)

Title/Section	1995	1996	1997	1998	1999	5-year total
102 Make certain Head Start children categorically eligible for Child Care Food Program, Oct. 1, 1995, and amend fluid milk requirements:						
Estimated budget authority	(1)	1	1	1	1	4
Estimated outlays	(1)	1	1	1	1	4
103 Expand options to schools serving all free meals[2]:						
Estimated budget authority	0	0	0	0	0	0
Estimated outlays	0	0	0	0	0	0
104 Authorize $15 million for universal meal pilot[2]:						
Estimated authorization of appropriations	15	15	15	15	.....	60
Estimated outlays	1	15	15	15	14	60
105 Require negotiated rule making:						
Estimated budget authority	(1)	(1)	(1)	(1)	(1)	(1)
Estimated outlays	(1)	(1)	(1)	(1)	(1)	(1)
106 Extend authorization for Summer Food Service Program for Children, 1995–1998[3]:						
Estimated budget authority	245	264	284	306	.....	1,099
Estimated outlays	208	261	281	303	46	1,099
107 Extend authorization for Commodity Distribution Program, 1995–1998:						
Estimated budget authority	0	0	0	0	.....	0
Estimated outlays	0	0	0	0	0	0
108 Extend statewide demonstration projects, 1995–1998:						
Estimated authorization of appropriations	4	5	6	6	.....	21
Estimated outlays	4	5	6	6	(1)	21
109 Permanently authorize $3 million for Homeless:						
Estimated budget authority	3	3	3	3	3	15
Estimated outlays	3	3	3	3	3	15
110 Amend CLOC pilot programs and authorize pilot program for meals and snacks for youth 13–18:						
Estimated budget authority	(1)	(1)	(1)	(1)	(1)	1
Estimated outlays	(1)	(1)	(1)	(1)	(1)	1
111 Encourage reduction of paperwork for families:						
Estimated budget authority	0	0	0	0	0	0
Estimated outlays	0	0	0	0	0	0
112 Extend authorization for Food Service Management Institute at $1.7 million, 1995–1998:						
Budget authority	2	2	2	2	.....	7
Estimated outlays	1	2	2	2	(1)	7
113 Amend nonprocurement debarment procedures and report to Congress within 180 days:						
Estimated budget authority	(1)	.....	.....	.....	.....	(1)
Estimated outlays	(1)	.....	.....	.....	.....	(1)
TITLE II—AMENDMENTS TO CHILD NUTRITION ACT OF 1966						
201 Permanently authorize $5 million for start-up grants, of which $1 million may be used for expansion grants:						
Budget authority	5	5	5	5	5	25
Estimated outlays	5	5	5	5	5	25
Participation increases associated with start-up and expansion funds:						
Estimated budget authority	3	10	15	20	20	68
Estimated outlays	3	10	10	20	20	63
202 Extend authorization for State administrative expenses:						
Estimated budget authority	92	98	104	110	.....	404
Estimated outlays	79	97	103	109	16	404
203 Extend WIC authorization at such sums for 1995–1998, and authorize $10.5 million for farmers' market projects:						
Estimated authorization of appropriations	3,308	3,398	3,487	3,581	.....	13,774
Estimated outlays	3,010	3,390	3,479	3,573	322	13,774
204 Extend authorization for nutrition education and training at $10.3 million, 1995–1998:						
Budget authority	10	10	10	10	.....	41

TABLE 1.—DETAILS OF FEDERAL GOVERNMENT COSTS OF H.R. 8—Continued

[By fiscal year, in millions of dollars]

Title/Section	1995	1996	1997	1998	1999	5-year total
Estimated outlays	9	10	10	10	2	41
TITLE III—MISCELLANEOUS PROVISIONS						
301 Consolidate School Lunch and School Breakfast Programs:						
Estimated budget authority	(1)	.....	.....	.....	.....	(1)
Estimated outlays	(1)	.....	.....	.....	.....	(1)
302 Require GAO and OTA study of fast foods:						
Estimated authorization of appropriations	(1)	1	(1)	.....	.....	1
Estimated outlays	(1)	1	(1)	.....	.....	1
303 Require study of coordinated review system:						
Estimated authorization of appropriations	(1)	.....	.....	.....	.....	(1)
Estimated outlays	(1)	.....	.....	.....	.....	(1)
304 Require Hawaii to comply with "buy American" provisions:						
Estimated budget authority	0	0	0	0	0	0
Estimated outlays	0	0	0	0	0	0
Bill Total:						
Direct spending:						
Estimated budget authority	360	394	424	457	29	1,665
Estimated outlays	309	390	415	453	93	1660
Authorization of Appropriations:						
Estimated authorization of appropriations	3,327	3,419	3,508	3,602	.....	13,856
Estimated outlays	3,015	3,411	3,500	3,594	336	13,856
Memorandum:						
Direct spending above baseline:						
Estimated budget authority	23	32	36	41	29	162
Estimated outlays	22	32	31	41	31	157

Source: Congressional Budget Office.

[1] Less than $500,000.

[2] This provision could result in small increases or small decreases, with an estimated net change of zero.

[3] Expiring programs with outlays greater than $50 million are assumed to continue in baseline, as required by sec. 257 of the Balanced Budget and Emergency Deficit Control Act of 1985.

Notes.—Details may not add to totals due to rounding.

Section 102. This section would make children eligible for free meals under the Child and Adult Care Food Program (CACFP), provided they were determined eligible for Head Start on the basis of income or receipt of public assistance. Children who qualify for Head Start on a basis other than income would have to meet the CACFP income guidelines, as under current law. The proposal would have little effect on CACFP spending, because most children who meet the Head Start income guidelines also meet the CACFP guidelines for free meals. In some cases, however, a family's income may increase between the time a child is screened for Head Start eligibility and the child graduates from Head Start, and such increases in family income could make the child ineligible for free meals in the absence of this proposal. In other cases, incomplete documentation of family income can make a child ineligible for the free meal subsidy without affecting Head Start enrollment. Less than half of one percent of Head Start children are estimated to fall into one of these two situations. Extending free meals to these few children is estimated to increase child nutrition entitlement spending by $1 million annually, beginning in fiscal year 1996.

Section 102 would make several other amendments to child nutrition programs, including one amendment that is estimated to

have a small effect on outlays under the Commodity Credit Corporation (CCC) dairy program. The bill would amend the requirement that schools offer whole milk in school meal programs. Schools would be required to provide a variety of fluid milk, consistent with preferences demonstrated by students in previous years, unless the preference for any such variety of fluid milk is less than one percent of the total milk consumed at the school. This provision is estimated to cause a small reduction in the amount of whole milk purchased by schools, resulting in increased fat surpluses to be purchased under the dairy support program. CCC outlays are estimated to increase by less than $100,000 annually.

Section 104. Section 104 would authorize appropriations of $15 million annually in 1995 through 1998 for universal school meal pilot projects. Estimated outlays assume the pilot projects do not begin until July 1995. Schools electing to join such pilot projects would continue to receive the same level of entitlement funding as in the previous year (adjusted for inflation and enrollment), but could receive additional funding from the $15 million in appropriated funds to help cover the costs of serving free meals to all children, regardless of income. The provision is estimated to have no net effect on direct spending, although individual schools may receive a slightly higher or lower level of entitlement spending than they would have in the absence of pilot projects.

Section 106. H.R. 8 would extend the authorization for the Summer Food Service Program for Children at such sums as are necessary for 1995 through 1998. CBO baseline estimates for this program are $245 million in budget authority in 1995, increasing to $306 million in 1998. These estimates assume that 122 million meals and snacks are served in 1995, based on historical growth trends. Reimbursements per meal to operators of summer food programs are estimated to average $1.82, based on inflation projections and the historical mix of type of meal served. This section would also make a few changes to the program authorization, but none of these changes is estimated to increase spending levels.

Section 108. This section would extend through 1998 the authorization for two statewide demonstration projects concerning the participation of proprietary child care centers in the Child and Adult Care Food program. Costs for continuing the demonstrations in Iowa and Kentucky are estimated to be $4 million in 1995, rising to $6 million by 1998, based on the current cost of the programs and the rate of growth in the past three years. The continuation of the demonstration is subject to the availability of appropriations. Other amendments in section 108 are estimated to have no effect on spending levels.

Section 109. Section 109 would permanently authorize $3 million annually for the Homeless Child Nutrition program, increasing outlays by $3 million a year. It would also direct the Secretary to continue to allocate some of the funding from State Administrative Expenses to the Homeless Child Nutrition program. This allocation does not change overall spending under State Administrative Expenses.

Section 110. Section 110 would permanently authorize certain schools to receive cash or commodity letters of credit (CLOCs) in lieu of commodities. Cost are estimated as $125,000 annually,

based on the current costs for monitoring and processing the commodity letters of credit. Section 110 would also establish a statewide CLOC program on a demonstration basis, and a fruit and vegetable CLOC program. These two new programs would have little effect on federal costs, because state agencies are assumed to be responsible for monitoring and processing CLOCs in the two new programs. Finally, section 110(c) would authorize $125,000 annually in 1995 through 1998 for a new demonstration program to serve meals and supplements to youth age 13 to 18.

Section 112. Section 112 reauthorizes the Food Service Management Institute, at a level of $1.7 million annually through 1998. Outlays are based on stated authorization levels and the historical spending patterns of child nutrition programs.

Section 201. H.R. 8 would permanently extend the $5 million authorization for competitive grants to state agencies to assist schools in starting up breakfast programs. Up to $1 million of these funds could be used for a new program of grants to state agencies to assist schools in expanding existing breakfast programs. The CBO estimate for this provision includes the costs of the additional meals served by schools that start up, or expand, breakfast programs as a result of the grants. CBO assumes that if the full $5 million were for start-up grants, approximately 1,000 schools would receive grants of $5,000 per school, and that half of these schools would have come onto the program regardless of the grants, with the remaining half of the schools (or 500 schools) coming onto the program because of the start-up grants. Adding 500 new schools each year is estimated to increase meal costs by $3 million in 1995, by $10 million in 1996, by $15 million in 1997, and by $20 million per year in 1998 and 1999.

Section 202. Section 202 would extend the authorization for State Administrative Expenses. Funding for any given year is calculated as 1.5 percent of the costs expended two years earlier for certain meal programs. Funding levels are estimated to be $92 million in 1995, rising to $110 million by 1998, based on CBO baseline cost projections for child nutrition programs.

Section 203. H.R. 8 would authorize appropriations of such sums as may be necessary for fiscal years 1995 through 1998 for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). CBO estimated the authorizations by increasing the fiscal year 1994 appropriation to reflect projected annual inflation. Estimated outlays reflect spending patterns of the current program. In addition, the bill would authorize appropriations of $10.5 million in fiscal year 1995 and such sums as may be necessary for fiscal years 1996 through 1998 for the WIC Farmers Market program. CBO estimated authorizations by increasing the amount specified for 1995 to reflect projected annual inflation. Estimated outlays reflect spending patterns of the current program. All outlay estimates assume appropriation of the amounts authorized at the beginning of each fiscal year.

Section 204. Section 204 would reauthorize the Nutrition Education and Training program at a level of $10.3 million annually, the same level as was appropriated in 1994. Outlays were estimated following historical spending patterns of child nutrition programs.

Sections 302–303. Sections 302 and 303 would require studies by the General Accounting Office (GAO). The study required in Section 302 requires the GAO, in consultation with the Office of Technology Assessment, to study the use of fast food and other restaurants, and private caterers, in school meal programs. Costs for this study would depend on the study design, but could be significant, based on the complexity of gathering a sample of schools with private food establishments, and the cost of gathering information about the nutritional profile of foods provided by such establishments. CBO estimates costs of slightly costs of slightly over $1 million. The second study, analyzing the unified accountability system under the National School Lunch Act, does not require as extensive data collection as the first, and is estimated to cost less than $500,000.

6. Pay-as-you-go considerations: The pay-as-you-go effects of the bill are as follows.

[By fiscal years, in millions of dollars]

	1995	1996	1997	1998
Outlays	22	32	31	41
Receipts	(1)	(1)	(1)	(1)

[1] Not applicable.

7. Estimated cost to State and local government: The bill extends authorizations for state administrative expenses to cover costs for administering most of the child nutrition programs. Funds for the summer food program and the WIC program also include administrative costs for state and local governments and sponsors.

8. Estimate comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: Julia Isaacs, Cory Oltman, and Ian McCormick.

11. Estimate approved by: C.G. Nuckols, Assistant Director for Budget Analysis.

B. COMMITTEE ESTIMATE

With reference to the Statement required by clause 7(a)(1) of Rule XIII of the Rules of the House of Representatives, the Committee accepts the estimate prepared by the Congressional Budget Office.

SECTION ANALYSIS

Sec. 1. Short title; table of contents

Titles the act "Healthy Meals for Healthy Americans Act of 1994".

Sec. 2. Findings

States findings concerning the dangers of undernutrition and the benefits of the Federal child nutrition programs.

Sec. 3. Sense of the Congress

Sense of Congress that the Federal child nutrition programs need to be funded at the levels necessary to serve needy children.

TITLE I—AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

Sec. 101. Technical assistance to ensure compliance with nutritional requirements under the school lunch program, the summer food service program for children, and the child and adult care program

Requires the Secretary to provide technical assistance to schools and other program participants to ensure compliance with nutritional requirements under the school lunch, summer food, and child and adult care food programs.

Sec. 102. Nutritional and other program requirements

Clarifies that minimum nutritional requirements shall be based, at a minimum, on the weekly average nutrient content, requires schools to offer a variety of fluid milk consistent with prior year demonstrated preferences, allows school lunch eligibility data to be used to determine eligibility for other nutrition programs, provides automatic eligibility for Head Start participants in the Child and Adult Care Food Program starting in 1996, requires the Secretary to clarify the use of production records and internal controls in developing reimbursement claims, and provides schools flexibility in ensuring the inspection of fish and fish products.

Sec. 103. Special assistance for schools electing to serve all children free lunches or breakfasts

Amends an alternative meal count option under current law, by extending its current 3 year duration to 5 years for schools currently participating in the option and establishes a new administrative flexibility provision allowing schools to receive their previous year's total reimbursement, thereby making it unnecessary to collect eligibility forms for a period of 4 years.

Sec. 104. Establishment of universal school lunch and breakfast pilot program

Amends the National School Lunch Act to establish a pilot program under which schools will serve free breakfasts and lunches to all children and receive a flat rate of reimbursement for all meals.

Sec. 105. Miscellaneous provisions and definitions

Removes an obsolete provision pertaining to child care centers in Puerto Rico; codifies operational procedures concerning the timely filing of reimbursement claims in all programs; requires the Secretary to provide negotiated rulemaking prior to issuing regulations pertaining to nutritional and compliance requirements; and allows States and local school food authorities to request broad waivers from the Secretary to improve program operation.

Sec. 106. Summer food service program for children

Reauthorizes the Summer Food program, establishes priorities for selecting summer food sponsors, removes the one-year waiting period for private non-profits to operate a summer food site previously operated by a school or government sponsor, and requires the Department to inform both private nonprofit and public summer food sponsors of program requirements in the same manner.

Sec. 107. Commodity distribution program

Reauthorizes the Commodity Distribution Program, requires the improvement of the nutritional quality of the commodities provided to schools, and requires their appropriate labeling so that they can more effectively be used to produce nutritious meals.

Sec. 108. Child and adult care food program

Extends the length of time for which a child and adult care food sponsor can be approved, allows child and adult care food administrative funds to be used for outreach to unlicensed day care homes, encourages child and adult care food program (CACFP) sponsors to include information on child development in materials provided to care providers, and reauthorizes state-wide pilot projects under the child and adult care food program.

Sec. 109. Homeless children nutrition program

Makes permanent the homeless preschool children nutrition program and increases the funding level to $3 million for fiscal years 1995 through 1998. Requires the Secretary to develop a plan for incorporating the homeless children nutrition program into the child and adult care food program by 1996.

Sec. 110. Pilot projects

Permanently authorizes the existing cash and commodity letter of credit (CLOC) demonstration sites and provides for the establishment of one state-wide CLOC demonstration if 80 percent of the school districts in the State want to participate in the program. The provision allows schools to use 10% of their commodity entitlement to obtain fresh fruits and vegetables through the use of a commodity letter of credit. The section also establishes a new pilot program to provide meal supplements outside of school hours to children ages 13 to 18.

Sec. 111. Reduction of paperwork

Clarifies that paperwork reduction efforts should also be designed to reduce the paperwork burden of families of children participating in the child nutrition programs.

Sec. 112. Extension of Food Service Management Institute

Reauthorizes the Food Service Management Institute.

Sec. 113. Duties of the Secretary of Agriculture relating to nonprocurement debarment under certain child nutrition programs

Promotes the prevention of fraud and bid rigging in the procurement of products used in the child nutrition programs.

TITLE II—AMENDMENTS TO THE CHILD NUTRITION ACT OF 1966

Sec. 201. School breakfast program

Requires the Secretary to provide technical assistance to ensure compliance with the nutritional requirements under the school breakfast program and to promote the breakfast program. The section permanently authorizes the school breakfast startup grant pro-

gram at $5 million per year and allows up to $1 million of the money available for breakfast startup to be used for breakfast expansion grants.

Sec. 202. State administrative expenses

This provision reauthorizes the State administrative expenses program and codifies operational procedures concerning the withholding of funds and the requirement for States to participate in studies.

Sec. 203. Special supplemental nutrition program

This provision reauthorizes the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) at such sums as may be necessary for fiscal years 1995 through 1998, and reauthorizes the WIC Farmers' Market Nutrition Program at $10.5 Million in fiscal year 1995 and such sums as may be necessary fiscal years 1995 through 1998.

Additional WIC amendments: requires the Secretary to promote the WIC program; includes "alcoholism, drug abuse, and pregnancy" as nutritional risk factors; modifies WIC eligibility to allow a pregnant woman to be considered income eligible, if she would be considered as such once her child had been born, and her family size increased by one; clarifies that WIC and Medicaid eligibility guidelines may be implemented concurrently; clarifies that funds recovered as a result of violations may be spent in the year recovered; increases the amount available for breasfeeding promotion in WIC by establishing a formula based on an amount per pregnant woman and breastfeeding woman adjusted for inflation; allows the administration to report on infant formula waivers issued by the Secretary in a timely manner rather than every 6 months; changes the name of the WIC program from "Special Supplemental Food Program for Women, Infants and Children" to "Special Supplemental Nutrition Program for Women, Infants, and Children"; requires migrants to be given priority for service; ensures that States will not incur an interest liability on WIC rebate funds; allows evaluation funds to be used to review the WIC Farmer's Market Nutrition Program; strengthens data collection on breastfeeding; establishes a grant program to improve infrastructure and fund special projects; and requires the Secretaries of Agriculture and HHS to develop a plan for better coordination between WIC and Migrant and Community Health Centers.

Amendents to the WIC Farmers' Market Nutrition Program include: allowing 3 percent of funds to be used for market development in areas serving WIC participants; limiting eligibility to WIC recipients; simplifying the current administrative expenses formula; requiring the Secretary to inform States concerning their awards under the WIC Farmers' Market Nutrition Program by February 1 of each year; requiring the Secretary to take into account the number of WIC participants who are not as yet able to participate in the Farmers' Market Nutrition Program when making grants to States that participated in the previous year; adjusting the formula used for allocating funds to new and previously participating States under the WIC Farmers' Market Nutrition Program to reflect the expansion needs of existing programs; and

eliminating the carry-forward provision in the WIC Farmers' Market Nutrition Program.

Sec. 204. Nutrition education and training.

Reauthorizes the Nutrition Education and Training program, clarifies activities of the program, and allows grantees 2 years to obligate funds.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Consolidation of school lunch program and school breakfast program into comprehensive meal program

Requires the Secretary to simplify and combine school lunch and breakfast programs within one year after enactment.

Sec. 302. Study and report relating to use of private food establishments and caterers under school lunch program and school breakfast program

Requires GAO and OTA to conduct a study of private food establishment participation in the meal programs.

Sec. 303. Report relating to unified accountability system under National School Lunch Act

Requires the GAO to issue a report analyzing the Federal coordinated review system authorized under the National School Lunch Act.

Sec. 304. Amendment to Commodity Distribution Reform Act and WIC Amendments of 1987

Requires the State of Hawaii to comply with the "Buy American" provisions of the Commodity Distribution Reform Act.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

NATIONAL SCHOOL LUNCH ACT

* * * * * * *

NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS

SEC. 9. (a)[(1) Lunches served by schools] *(1)(A) Lunches served by schools* participating in the school lunch program under this Act shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research[; except that such minimum nutritional requirements], *except that—*

(i) such minimum nutritional requirements shall not be construed to prohibit the substitution of foods to accommodate the medical or other special dietary needs of individual students[.]; *and*

(ii) such minimum nutritional requirements shall, at a minimum, be based on the weekly average of the nutrient content of school lunches.

(B) The Secretary shall provide technical assistance to those schools participating in the school lunch program under this Act to assist such schools in complying with the nutritional requirements prescribed by the Secretary pursuant to subparagraph (A). The Secretary shall provide additional technical assistance to those schools that are having difficulty maintaining compliance with such requirements.

[(2) Lunches served by schools participating in the school lunch program under this Act shall offer students fluid whole milk and fluid unflavored lowfat milk.]

(2) Lunches served by schools participating in the school lunch program under this Act—

(A) shall offer students fluid milk; and

(B) shall offer students a variety of fluid milk consistent with prior year demonstrated preferences unless the prior year preference for any such variety of fluid milk is less than 1 percent of the total milk consumed at the school.

* * * * * * *

(b)(1) * * *

* * * * * * *

(5) Any child who has a parent or guardian who (A) is responsible for the principal support of such child and (B) is unemployed shall be served a free or reduced price lunch, respectively, during any period (i) in which such child's parent or guardian continues to be unemployed and (ii) the income of the child's parents or guardians during such period of unemployment falls within the income eligibility criteria for free lunches or reduced price lunches, respectively, based on the current rate of income of such parents or guardians. Local school authorities shall publicly announce that such children are eligible for free or reduced price lunch, and shall make determinations with respect to the status of any parent or guardian of any child under clauses (A) and (B) of the preceding sentence on the basis of a statement executed in such form as the Secretary may prescribe by such parent or guardian. No physical segregation of, or other discrimination against, any child eligible for a free or reduced price lunch under this paragraph shall be made by the school nor shall there be any overt identification of any such child by special tokens or tickets, announced or published lists of names, or by any other means. *Except as provided in the next sentence, a local agency responsible for administering programs under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall use information submitted for the purpose of receiving benefits under such programs only for the purpose of determining eligibility for such benefits. Such local agency may use such eligibility determination to demonstrate the eligibility for benefits under other Federal, State, or local means-tested nutrition programs with comparable eligibility standards.*

(6)(A) A child shall be considered automatically eligible for a free lunch and breakfast under this Act and the Child Nutrition Act of

1966 (42 U.S.C. 1771 et seq.), respectively, without further application or eligibility determination, if the child is [a member of]—

(i) *a member of* a household receiving assistance under the food stamp program authorized under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); [or]

(ii) *a member of* an AFDC assistance unit (under the aid to families with dependent children program authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)), in a State where the standard of eligibility for the assistance does not exceed 130 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)))[.]; *or*

(iii) enrolled as a participant in a Head Start program authorized under the Head Start Act (42 U.S.C. 9831 et seq.), on the basis of a determination that the child is a member of a family that meets the low-income criteria prescribed under section 645(a)(1)(A) of the Head Start Act (42 U.S.C. 9840(a)(1)(A)).

(B) Proof of receipt of [food stamps or aid to families with dependent children] *food stamps, aid to families with dependent children, or enrollment or participation in the Head Start program on the basis described in subparagraph (A)(iii)* shall be sufficient to satisfy any verification requirement imposed under paragraph (2)(C).

* * * * * * *

(f)(1) The Secretary shall clarify that the primary need for documentation of production plans is to serve as a basis for ensuring that the meals under the school lunch program meet the nutrient needs of the children to be served under such program. The State shall determine whether existing records are adequate to ensure that the objective of the preceding sentence is met.

(2) The Secretary shall clarify the need for internal controls in developing a claim for reimbursement under the school lunch program.

(g)(1) The Secretary shall ensure that fish and fish products purchased by schools participating in the school lunch program shall be—

(A) inspected in compliance with the continuous official establishment and product inspection of the National Marine Fisheries Service; or

(B) inspected in compliance with the hazard analysis critical control point requirements promulgated by the Food and Drug Administration.

(2) For purposes of this subsection, the term "fish and fish products" has the meaning given such term by the Food and Drug Administration in its proposal of January 28, 1994 (59 Fed. Reg. 4195).

* * * * * * *

SPECIAL ASSISTANCE

SEC. 11. [(a)(1) Except as provided] *(a)(1)(A) Except as provided* in section 10 of this Act, in each fiscal year each State educational agency shall receive special assistance payments in an amount

equal to the sum of the product obtained by multiplying the number of lunches (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary pursuant to subsection 9(a) of this Act) served free to children eligible for such lunches in schools within that State during such fiscal year by the special assistance factor for free lunches prescribed by the Secretary for such fiscal year and the product obtained by multiplying the number of lunches served at a reduced price to children eligible for such reduced price lunches in schools within that State during such fiscal year by the special assistance factor for reduced price lunches prescribed by the Secretary for such fiscal year. [In the case of]

(B) In the case of any school which determines that at least 80 percent of the children in attendance during a school year (hereinafter in this sentence referred to as the "first school year") are eligible for free lunches or reduced price lunches, special assistance payments shall be paid to the State educational agency with respect to that school, if that school so requests for the school year following the first school year, on the basis of the number of free lunches or reduced priced lunches, as the case may be, that are served by that school during the school year for which the request is made, to those children who were determined to be so eligible in the first school year and the number of free lunches and reduced price lunches served during that year to other children determined for that year to be eligible for such lunches. [In the case of]

(C)(i) Except as provided in clause (ii), in the case of any school that [(A)] *(I)* elects to serve all children in that school free lunches under the school lunch program during any period of three successive school years and [(B)] *(II)* pays, from sources other than Federal funds, for the costs of serving such lunches which are in excess of the value of assistance received under this Act with respect to the number of lunches served during that period, special assistance payments shall be paid to the State educational agency with respect to that school during that period on the basis of the number of lunches determined under the succeeding sentence. For purposes of making special assistance payments in accordance with the preceding sentence, the number of lunches served by a school to children eligible for free lunches and reduced price lunches during each school year of the three-school-year period shall be deemed to be the number of lunches served by that school to children eligible for free lunches and reduced price lunches during the first school year of such period, unless that school elects, for purposes of computing the amount of such payments, to determine on a more frequent basis the number of children eligible for free and reduced price lunches who are served lunches during such period.

(ii)(I)(aa) In the case of any school that, on the date of the enactment of this clause, is serving all children in that school free lunches under the school lunch program in accordance with clause (i), special assistance payments shall be paid to the State educational agency with respect to such school for free lunches served to all children in such school during a period of five consecutive years in accordance with such clause.

(bb) Any period of time in the current 3-year period during which the school served free lunches to all children in such school in ac-

cordance with clause (i) shall count toward the 5-year period described in division (aa).

(cc) The State may grant an extension to such schools at the end of such 3-year period, only if the State determines, through available socioeconomic data approved by the Secretary, that the income level of the population of the school has remained stable. The State may further use such data in subsequent 5-year periods to ensure that the income level of the population of the school has remained stable.

(II) A school described in subclause (I) may reapply to the State at the end of a 5-year period described in such subclause for the purpose of continuing to receive special assistance payments in accordance with such subclause for additional 5-year periods.

(D) In the case of any school that (i) elects to serve all children in that school free lunches under the school lunch program during any period of 4 successive years, or in the case of a school that serves both lunches and breakfasts, elects to serve all children in that school free lunches and free breakfasts under the school lunch program and the school breakfast program during any period of 4 successive years and (ii) pays, from sources other than Federal funds, for the costs of serving such lunches or breakfasts, as the case may be, which are in excess of the value of assistance received under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) with respect to the number of lunches or breakfasts served during that period, total Federal cash reimbursements and total commodity assistance shall be provided to the State educational agency with respect to such school at a level equal to the total Federal cash reimbursements and total commodity assistance received by the school in the previous year, adjusted annually for changes in inflation in accordance with paragraph (3)(B) and for changes in enrollment, to carry out the purposes of the school lunch or school breakfast programs. The State may grant a renewal of the authority under the preceding sentence to such schools at the end of such 4-year period, if the State determines, through available socioeconomic data approved by the Secretary, that the income level of the population of the school has remained consistent with the income level of the population of the school in the year upon which the total Federal reimbursement is based.

* * * * * * *

SEC. 11A. UNIVERSAL SCHOOL LUNCH AND BREAKFAST PILOT PROGRAM.

(a) IN GENERAL.—

(1) ESTABLISHMENT.—Subject to the availability of appropriations to carry out this section, the Secretary shall establish a universal school lunch and breakfast pilot program (in this section referred to as the "pilot program").

(2) DESCRIPTION.—The pilot program shall consist of school lunch and breakfast service offered without cost to all students in attendance at participating schools that wish to participate in a manner consistent with the requirements otherwise applicable to the school lunch program under this Act and to the school breakfast program under section 4 of the Child Nutrition Act of 1966.

(3) ELIGIBILITY.—A school shall be eligible to participate in the pilot program if the school meets the following requirements:

(A) At least 30 percent of all students participating in the school lunch program at the school are students who qualify for free or reduced price lunches.

(B) At least 30 percent of all students participating in the school breakfast program at the school are students who qualify for free or reduced price breakfasts.

(b) APPLICATION.—

(1) IN GENERAL.—A school may participate in the pilot program only if such school submits to the Secretary an application containing such information as the Secretary may reasonably require.

(2) CONTENTS.—Such application shall contain a plan describing—

(A) the additional amount over the most recent prior year reimbursement amount received under the school lunch program and the school breakfast program (adjusted for inflation and enrollment) that the school would need from the Federal government to provide free lunches and breakfasts under the pilot program; and

(B) the funding, if any, the school will receive from non-Federal sources to provide free lunches and breakfasts under the pilot program.

(c) UNIVERSAL PAYMENT RATE.—

(1) IN GENERAL.—Subject to paragraphs (3) and (4), in lieu of receiving the national average payment per lunch determined under section 4 and section 11, and the national average payment per breakfast determined under section 4 of the Child Nutrition Act of 1966, each school participating in the universal program shall receive the universal payment rates determined under paragraph (2) for each lunch and breakfast served under the program.

(2) ESTABLISHMENT.—Subject to paragraph (3), the Secretary shall establish the universal payment rates for purposes of this section. Such rates shall be equal to the national average cost of producing a school lunch, and the national average cost of producing a school breakfast, respectively, as determined by the Secretary. In making the determination required by the preceding sentence, the Secretary shall establish a maximum amount that can be charged to a participating school food service authority for indirect expenses.

(3) COMMODITIES.—(A) Except as provided in subparagraph (B), a school participating in the pilot program shall receive commodities in an amount equal to the amount the school received in the prior year under the school lunch program under this Act and under the school breakfast program under section 4 of the Child Nutrition Act of 1966, adjusted for inflation and fluctuations in enrollment.

(B) Commodities required for the pilot program in excess of the amount of commodities received by the school in the prior year under the school lunch program and the school breakfast

program may be funded from amounts appropriated to carry out this section.

(4) ADDITIONAL REQUIREMENTS.—(A) Except as provided in subparagraph (B), a school participating in the pilot program shall receive a total Federal reimbursement under the school lunch program and school breakfast program in an amount equal to the Federal reimbursement rate for the school in the prior year under each such program (adjusted for inflation and fluctuations in enrollment).

(B) Funds required for the pilot program in excess of the level of reimbursement received by the school in the prior year (adjusted for inflation and fluctuations in enrollment) may be taken from any non-Federal source or from amounts appropriated to carry out this section. If funds required in addition to funds under subparagraph (A) are not available from non-Federal sources and no appropriations are made for the pilot program, schools may not participate in the program.

(d) COMPETITIVE FOODS POLICY.—A school participating in the pilot program may sell competitive foods under regulations issued by the Secretary.

(e) PROHIBITION OF WAIVER TO PROVIDE LUNCH AND BREAKFAST SERVICE WITHOUT COST.—Notwithstanding any other provision of law, the Secretary may not waive the requirement that the school will provide lunch and breakfast service without cost to all students at the school under the pilot program.

(f) REPORTS.—

(1) REPORTS TO THE SECRETARY.—The Secretary shall require each school participating in the pilot program to submit to the Secretary a report containing the following information:

(A) A comparison of the participation rate of all students at the school in the pilot program to the participation of students under the school lunch program and the school breakfast program.

(B) A comparison of the quality of meals served under the pilot program to the quality of meals served under the school lunch program and the school breakfast program.

(C) An evaluation of the pilot program by students, parents, and administrators.

(D) The participation rate in the pilot program of students who otherwise would be eligible for free and reduced price lunches and breakfasts under the school lunch program or the school breakfast program.

(E) A comparison of the amount of administrative costs under the program with the amount of administrative costs under the school lunch and school breakfast programs.

(F) The reduction in paperwork under the pilot program from the amount of paperwork under the school lunch and school breakfast programs at the school.

(2) REPORTS TO THE CONGRESS.—

(A) INTERIM REPORT.—Not later than September 30, 1997, the Secretary shall submit to the Congress an interim report containing—

(i) a compilation of the information received by the Secretary under paragraph (1) as of this date from each school participating in the pilot program; and

(ii) an interim evaluation of the program by the Secretary.

(B) FINAL REPORT.—Not later than September 30, 1998, the Secretary shall submit to the Congress an final report containing—

(i) a compilation of the information received by the Secretary under paragraph (1) as of this date from each school participating in the pilot program; and

(ii) a final evaluation of the program by the Secretary.

(g) SELECTION REQUIREMENT.—To the extent practicable, the Secretary shall select schools to participate in the pilot program in a manner which will provide for an equitable distribution among the following types of schools:

(1) Urban and rural schools.

(2) Elementary, middle, and high schools.

(3) Low-, middle-, and high-income schools

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $15,000,000 for each of the fiscal years 1995 through 1998.

MISCELLANEOUS PROVISIONS AND DEFINITIONS

SEC. 12. (a) * * *

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(d) For the purposes of this Act—

(1) * * *

* * * * * * *

(5) "School" means (A) any public or nonprofit private school of high school grade or under, *and* (B) any public or licensed nonprofit private residential child care institution (including, but not limited to, orphanages and homes for the mentally retarded, but excluding Job Corps Centers funded by the Department of Labor)[, and (C) with respect to the Commonwealth of Puerto Rico, nonprofit child care centers certified as such by the Governor of Puerto Rico.]. For purposes [of clauses (A) and (B)] of this paragraph, the term "nonprofit", when applied to any such private school or institution, means any such school or institution which is exempt from tax under section 501(c)(3) of the Internal Revenue Code of 1986.

* * * * * * *

(j)(1) Except as provided in paragraph (2), the Secretary may provide reimbursements for final claims for service of meals, supplements, and milk submitted to State agencies by eligible schools, summer camps, family day care homes, institutions, and service institutions only if—

(A) such claims have been submitted to such State agencies not later than 60 days after the last day of the month for which the reimbursement is claimed; and

(B) the final program operations report for such month is submitted to the Secretary not later than 90 days after the last day of such month.

(2) The Secretary may waive the requirements contained in paragraph (1) at the discretion of the Secretary.

(k)(1) The Secretary is authorized to issue such regulations as are necessary to reasonably ensure that there is compliance with this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

(2)(A) Prior to publishing proposed regulations in the Federal Register to carry out this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) (except the special supplemental nutrition program under section 17 of such Act), the Secretary shall obtain the advice and recommendations of representatives of Federal, State, and local school administrators, school food service administrators, other school food service personnel, parents, teachers, industry representatives, public interest anti-hunger organizations, doctors specializing in pediatric nutrition, and nutritionists involved with the implementation and operation of programs under this Act and the Child Nutrition Act of 1966.

(B) Such advice and recommendations may be obtained through such mechanisms as regional meetings and electronic exchanges of information. The Secretary shall take into account such information in the development of proposed regulations and shall publish a summary of such information in the Federal Register together with such proposed regulations.

(C) After obtaining such advice and recommendations, and prior to publishing proposed regulations, the Secretary shall—

(i) establish a negotiated rulemaking process on issues, including—

(I) nutrition requirements and their implementation; and

(II) program compliance and accountability requirements;

(ii) select individuals to participate in such process from among individuals or groups which provided advice and recommendations, with representation from all geographic regions (to the extent possible, the Secretary shall select individuals reflecting the diversity in the program, including representatives of both large and small programs, as well as individuals serving urban and rural areas); and

(iii) prepare a draft of proposed policy options that shall be provided to the individuals selected by the Secretary under clause (ii) not less than 45 days prior to the first meeting under such process.

(D) Such process—

(i) shall be conducted in a timely manner to ensure that final regulations are issued by the Secretary not later than 240 days after the date of the enactment of the Healthy Meals for Healthy Americans Act of 1994; and

(ii) shall not be subject to the Federal Advisory Committee Act but shall otherwise follow the provisions of the Negotiated Rulemaking Act of 1990 (5 U.S.C. 561 et seq.).

(E) In an emergency situation in which regulations to carry out this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) must be issued with a very limited time to assist State and

local educational agencies with the operation of the program, the Secretary may issue proposed regulations without following such process but shall, immediately thereafter and prior to issuing final regulations, conduct regional meetings to review such proposed regulations.

(l)(1)(A) The Secretary may waive any requirement under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), or any regulation issued under such Acts, for a State or eligible service provider that requests a waiver if—

(i) the Secretary determines that the waiver of such requirement would facilitate the ability of the State or eligible service provider to carry out the purpose of the program;

(ii) a State or eligible service provider has provided notice and information to the public regarding the proposed waiver; and

(iii) the State or eligible service provider demonstrates to the satisfaction of the Secretary that such waiver will not increase the overall cost of the program to the Federal government, and, if such waiver does increase such overall cost to the Federal government, such cost will be paid from non-Federal funds.

(B) Such notice and information shall be provided in the same manner in which such State or eligible service provider customarily provides similar notices and information to the public.

(2)(A) To request a waiver, a State or eligible service provider shall submit an application to the Secretary that—

(i) identifies the statutory or regulatory requirements that are requested to be waived;

(ii) in the case of a State requesting a waiver, describes actions, if any, that the State has undertaken to remove State statutory or regulatory barriers;

(iii) describes the goal of the waiver to improve services under the program and the expected outcomes if the waiver is granted;

(iv) includes a description of the impediments to the efficient operation and administration of the program;

(v) describes the management goals to be achieved, such as fewer hours devoted to or fewer number of personnel involved in the administration of the program;

(vi) provides a timetable for implementing the waiver; and

(vii) describes the process the State or eligible service provider will use to monitor the progress in implementing the waiver, including the process for monitoring the cost implications of the waiver to the Federal government.

(B) An application described in subparagraph (A) shall be developed by the State or eligible service provider and shall be submitted to the Secretary by the State.

(3)(A) The Secretary shall act promptly on a waiver request contained in an application submitted under paragraph (2) and shall either grant or deny such request. The Secretary shall state in writing the reasons for granting or denying such request.

(B) If the Secretary grants a waiver request, the Secretary shall state in writing the expected outcome of granting such a waiver.

(C) The result of the decision of the Secretary shall be disseminated by the State or eligible service provider to interested parties,

including educators, parents, students, advocacy and civil rights organizations, other interested parties, and the public.

(D)(i) Except as provided in clause (ii), a waiver granted by the Secretary shall be for a period not to exceed three years.

(ii) The Secretary may extend such period if the Secretary determines that the waiver has been effective in enabling the State or eligible service provider to carry out the purposes of the program.

(4) The Secretary may not grant a waiver under paragraph (3) of any requirement relating to—

(A) the nutritional content of meals served;

(B) Federal reimbursement rates;

(C) the provision of free and reduced price meals;

(D) offer versus serve provisions;

(E) limits on the price charged for a reduced price meal;

(F) maintenance of effort;

(G) equitable participation of children in private schools;

(H) distribution of funds to State and local school food service authorities;

(I) prohibiting the disclosure of information relating to students receiving free or reduced price meals;

(J) prohibiting the operation of a profit producing program;

(K) the sale of competitive foods; and

(L) enforcement of any constitutional or statutory right of an individual, including any right under—

(i) title VI of the Civil Rights Act of 1964;

(ii) Section 504 of the Rehabilitation Act of 1973;

(iii) title IX of the Education Amendments of 1972;

(iv) the Age Discrimination Act of 1975; and

(v) the Americans with Disabilities Act of 1990.

(5) The Secretary shall periodically review the performance of any State or eligible service provider for which the Secretary has granted a waiver and shall terminate the waiver if the performance of the State or service provider has been inadequate to justify a continuation of the waiver. The Secretary shall terminate the waiver if, after periodic review, the Secretary determines that the waiver has resulted in increased Federal spending and such increased Federal spending has not been paid for in accordance with paragraph (1)(A)(iii).

(6)(A)(i) An eligible service provider that receives a waiver under this section shall annually submit to the State a report that—

(I) describes the use of such waiver by the eligible service provider; and

(II) evaluates how the waiver contributed to improved services to children served by the program for which the waiver was requested.

(ii) The State shall annually submit to the Secretary a report that summarizes all reports received by the State from eligible service providers.

(B) The Secretary shall annually submit to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report—

(i) summarizing the use of waivers by the State and eligible service providers;

(ii) describing whether such waivers resulted in improved services to children;

(iii) describing the impact of such waivers on providing nutritional meals to participants; and

(iv) describing how such waivers reduced the amount of paperwork necessary to administer the program.

(7) For purposes of this subsection, the term "eligible service provider" means—

(A) a local school food service authority;

(B) a service institution or private nonprofit organization described under section 13 of this Act; or

(C) a family or group day care home sponsoring organization described under section 17 of this Act.

SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

SEC. 13. (a)(1) * * *

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(4) The following order of priority shall be used by the State in determining participation where more than one eligible service institution proposes to serve the same area:

[(A) local schools or service institutions that have demonstrated successful program performance in a prior year;

[(B) service institutions that prepare meals at their own facilities or operate only one site;

[(C) service institutions that use local school food facilities for the preparation of meals;

[(D) other service institutions that have demonstrated ability for successful program operation;

[(E) service institutions that plan to integrate the program with Federal, State, or local employment programs; and

[(F) private nonprofit organizations eligible under paragraph (7).]

(A) Local schools.

(B) All other service institutions and private nonprofit organizations eligible under paragraph (7) that have demonstrated successful program performance in a prior year.

(C) Other service institutions and private nonprofit organizations eligible under paragraph (7).

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(7)(A) * * *

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[(C)(i) Except as provided in clause (ii), no private nonprofit organization (other than organizations eligible under paragraph (1)) may participate in the program in an area where a school food authority or a local, municipal, or county government participated in the program before such organization applied to participate until the expiration of the 1-year period beginning on the date that such school food authority or local, municipal, or county government terminated its participation in the program.

[(ii) Clause (i) shall not apply if the appropriate State agency or regional office of the Department of Agriculture (whichever administers the program in the area concerned), after consultation with

the school food authority or local, municipal, or county government concerned, determines that such school food authority or local, municipal, or county government would have discontinued its participation in the program regardless of whether a private nonprofit organization was available to participate in the program in such area.]

* * * * * * *

(f) Service institutions receiving funds under this section shall serve meals consisting of a combination of foods and meeting minimum nutritional standards prescribed by the Secretary on the basis of tested nutritional research. *The Secretary shall provide technical assistance to service institutions and private nonprofit organizations participating in the program to assist such institutions and organizations in complying with the nutritional requirements prescribed by the Secretary pursuant to this subparagraph. The Secretary shall provide additional technical assistance to those service institutions and private nonprofit organizations that are having difficulty maintaining compliance with such requirements.* [Such meals] *Meals described in the first sentence* shall be served without cost to children attending service institutions approved for operation under this section, except that, in the case of camps, charges may be made for meals served to children other than those who meet the eligibility requirements for free or reduced price meals in accordance with subsection (a)(5) of this section. To assure meal quality, States shall, with the assistance of the Secretary, prescribe model meal specifications and model food quality standards, and ensure that all service institutions contracting for the preparation of meals with food service management companies include in their contracts menu cycles, local food safety standards, and food quality standards approved by the State. Such contracts shall require (A) periodic inspections, by an independent agency or the local health department for the locality in which the meals are served, of meals prepared in accordance with the contract in order to determine bacteria levels present in such meals, and (B) that bacteria levels conform to the standards which are applied by the local health authority for that locality with respect to the levels of bacteria that may be present in meals served by other establishments in that locality. Such inspections and any testing resulting therefrom shall be in accordance with the practices employed by such local health authority.

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(q)(1) * * *

[(2) Application forms or other printed materials provided by the Secretary or the States to persons who intend to apply to participate as private nonprofit organizations shall contain a warning in bold lettering explaining, at a minimum—

[(A) the criminal provisions and penalties established by subsection (o); and

[(B) the procedures for termination of participation in the program as established by regulations.

[(3)] *(2)* The Secretary shall require each State to establish and implement an ongoing training and technical assistance program for private nonprofit organizations that provides information on

program requirements, procedures, and accountability. The Secretary shall provide assistance to State agencies regarding the development of such training and technical assistance programs.

[(4)] *(3)* In the fiscal year 1990 and each succeeding fiscal year, the Secretary may reserve for purposes of carrying out [paragraphs (1) and (3)] *paragraphs (1) and (2)* of this subsection not more than ½ of 1 percent of amounts appropriated for purposes of carrying out this section.

[(5)] *(4)* For the purposes of this subsection, the term "private nonprofit organization" has the meaning given such term in subsection (a)(7)(B).

(r) For the fiscal year beginning October 1, 1977, and each succeeding fiscal year ending before October 1, [1994] *1998*, there are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this section.

COMMODITY DISTRIBUTION PROGRAM

SEC. 14. (a) Notwithstanding any other provision of law, the Secretary, during the period beginning July 1, 1974, and ending September 30, [1994] *1998*, shall—

(1) * * *

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(b)*(1)* Among the products to be included in the food donations to the school lunch program shall be cereal and shortening and oil products.

(2) The Secretary shall improve the overall nutritional quality of entitlement commodities provided to schools to assist the schools in improving the nutritional content of meals.

(3) The Secretary shall—

(A) require that nutritional content information labels be placed on packages or shipments of entitlement commodities provided to the schools; or

(B) otherwise provide nutritional content information regarding the commodities provided to the schools.

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CHILD AND ADULT CARE FOOD PROGRAM

SEC. 17. (a) * * *

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(c)(1) * * *

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(5) A child shall be considered automatically eligible for benefits under this section without further application or eligibility determination, if the child is enrolled as a participant in a Head Start program authorized under the Head Start Act (42 U.S.C. 9831 et seq.), on the basis of a determination that the child is a member of a family that meets the low-income criteria prescribed under section 645(a)(1)(A) of the Head Start Act (42 U.S.C. 9840(a)(1)(A)).

(d)(1) * * *

(2)(A) The Secretary shall develop a policy that allows institutions providing child care that participate in the program under

this section, at the option of the State agency, to reapply for assistance under this section at [2-year intervals] *3-year intervals.*

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(f)(1) * * *

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(3)(A) * * *

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[(C) Reimbursement for administrative expenses]*(C)(i) Reimbursement for administrative expenses* shall also include start-up funds to finance the administrative expenses for such institutions to initiate successful operation under the program and expansion funds to finance the administrative expenses for such institutions to expand into low-income or rural areas. Institutions that have received start-up funds may also apply at a later date for expansion funds. Such start-up funds and expansion funds shall be in addition to other reimbursement to such institutions for administrative expenses. Start-up funds and expansion funds shall be payable to enable institutions satisfying the criteria of subsection (d) of this section, and any other standards prescribed by the Secretary, to develop an application for participation in the program as a family or group day care home sponsoring organization or to implement the program upon approval of the application. Such start-up funds and expansion funds shall be payable in accordance with the procedures prescribed by the Secretary. The amount of start-up funds and expansion funds payable to an institution shall be not less than the institution's anticipated reimbursement for administrative expenses under the program for one month and not more than the institution's anticipated reimbursement for administrative expenses under the program for two months.

(ii) Funds for administrative expenses may be used by family or group day care home sponsoring organizations to conduct outreach and recruitment to unlicensed family or group day care homes so that such day care homes may become licensed.

* * * * * * *

(g)[(1) Meals served by institutions]*(1)(A) Meals served by institutions* participating in the program under this section shall consist of a combination of foods that meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research. Such meals shall be served free to needy children.

(B) The Secretary shall provide technical assistance to those institutions participating in the program under this section to assist such institutions and family or group day care home sponsoring organizations in complying with the nutritional requirements prescribed by the Secretary pursuant to subparagraph (A). The Secretary shall provide additional technical assistance to those institutions and family or group day care home sponsoring organizations that are having difficulty maintaining compliance with such requirements.

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(k)(1) * * *

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(4) The Secretary shall encourage family or group day care sponsoring organizations to provide information and training concerning child health and development to family or group day care homes participating in the program under such organizations.

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(p)(1) * * *

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(4) Such project shall—

(A) * * *

(B) terminate on September 30, [1992] *1998*.

(5) Notwithstanding paragraph (4)(B), the Secretary shall continue until September 30, [1994] *1998*, the two pilot projects established under this subsection to the extent, and in such amounts, as are provided for in advance in appropriations Acts.

* * * * * * *

SEC. 17B. HOMELESS CHILDREN NUTRITION PROGRAM.

(a) IN GENERAL.—The Secretary shall conduct projects designed to provide food service throughout the year to homeless children under the age of 6 in emergency shelters.

(b) AGREEMENTS TO PARTICIPATE IN PROJECTS.—

(1) IN GENERAL.—The Secretary shall enter into agreements with State, city, local, or county governments, other public entities, or private nonprofit organizations to participate in the projects under this section.

(2) ELIGIBILITY REQUIREMENTS.—The Secretary shall establish eligibility requirements for the entities described in paragraph (1) that desire to participate in the projects under this section. Such requirements shall include the following:

(A) Each private nonprofit organization shall operate not more than 5 food service sites under the project and shall serve not more than 300 homeless children at each such site.

(B) Each site operated by each such organization shall meet applicable State and local health, safety, and sanitation standards.

(c) PROJECT REQUIREMENTS.—

(1) IN GENERAL.—A project conducted under this subsection shall—

(A) use the same meal patterns and receive reimbursement payments for meals and supplements at the same rates provided to child care centers participating in the child care food program under section 17 for free meals and supplements; and

(B) receive reimbursement payments for meals and supplements served on Saturdays, Sundays, and holidays, at the request of the sponsor of any such project.

(2) MODIFICATION.—The Secretary may modify the meal pattern requirements to take into account the needs of infants.

(3) HOMELESS CHILDREN ELIGIBLE FOR FREE MEALS WITHOUT APPLICATION.—Homeless children under the age of 6 in emergency shelters shall be considered eligible for free meals without application.

(d) NOTICE.—The Secretary shall advise each State of the availability of the projects established under this subsection for States, cities, counties, local governments and other public entities, and shall advise each State of the procedures for applying to participate in the project.

(e) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of the Healthy Meals for Healthy Children Act of 1994, the Secretary shall submit to the appropriate committees of the Congress a report that includes—

(1) an explanation of the actions the Secretary has taken to carry out subsection (d);

(2) an estimate, if practicable, of the number of children living in homeless shelters who are not served by projects conducted under this section; and

(3) a detailed plan for expanding the projects so that more eligible children may participate in such projects.

(f) PLAN TO ALLOW PARTICIPATION IN THE CHILD AND ADULT CARE FOOD PROGRAM.—Not later than September 30, 1996, the Secretary shall submit to the appropriate committees of the Congress a plan describing how emergency shelters and homeless children who have not attained the age of 6 and who are served by such shelters under the program might participate in the child and adult care food program authorized under section 17 by September 30, 1998.

(g) DEFINITIONS.—For purposes of this section, the following definitions apply:

(1) APPROPRIATE COMMITTEES OF THE CONGRESS.—The term "appropriate committees of the Congress" means the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) EMERGENCY SHELTER.—The term "emergency shelter" has the meaning given such term in section 321(2) of the Stewart B. McKinney Homeless Assistance Act.

(h) FUNDING.—

(1) IN GENERAL.—In addition to any amounts made available under section 7(a)(5)(B)(i)(I) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(5)(B)(i)(I)), the Secretary shall, except as provided in paragraph (2), expend to carry out this section from amounts appropriated for purposes of carrying out this Act $3,000,000 for fiscal year 1995 and each succeeding fiscal year.

(2) EXCEPTION.—The Secretary may expend less than the amount required under paragraph (1) if there is an insufficient number of suitable applicants.

PILOT PROJECTS

SEC. 18. (a) * * *

(b)(1) Upon request to the Secretary, any school district that on January 1, 1987, was receiving all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program shall receive all cash payments or all commodity letters of credit in lieu of entitlement commodities for its school lunch program beginning July 1, 1987[, and ending September 30,

1994]. The Secretary, directly or through contract, shall administer the project [under this subsection] *under this paragraph.*

* * * * * * *

(3)(A) The Secretary shall establish and carry out a statewide commodity letter of credit (hereafter in this paragraph referred to as "CLOC") demonstration program in 1 State under which the Secretary provides all school districts in such State commodity letters of credit in lieu of all entitlement commodities for the school lunch programs of such school districts.

(B) The Secretary may establish and carry out the statewide CLOC demonstration program under this paragraph only in a State in which, on the date of the application by such State to the Secretary to establish such program, 80 percent or more of the school districts participating in the school lunch program under this Act have elected to participate in the statewide CLOC demonstration program.

(C) In carrying out the statewide CLOC demonstration program, the Secretary shall provide that—

(i) all commodity letters of credit be issued to all school districts in the State in lieu of entitlement commodities for the school lunch program beginning on the first July 1st which occurs after the date of the enactment of this paragraph;

(ii) child care agencies and nutrition programs for the elderly in the State shall be allowed to participate in the program; and

(iii) the State agencies responsible for commodity distribution to child and elderly nutrition programs shall administer the program.

[(c)(1) The Secretary shall conduct demonstration projects designed to provide food service throughout the year to homeless children under the age of 6 in emergency shelters.

[(2)(A) The Secretary shall enter into agreements with State, city, local, or county governments, other public entities, or private nonprofit organizations to participate in the projects under this subsection.

[(B) The Secretary shall establish eligibility requirements for State, city, local, or county governments, other public entities, or private nonprofit organizations that desire to participate in the projects under this subsection. Such requirements shall include the following:

[(i) Each private nonprofit organization shall operate not more than 5 food service sites under the project and shall serve not more than 300 homeless children at each such site.

[(ii) Each site operated by each such organization shall meet applicable State and local health, safety, and sanitation standards.

[(3)(A) Projects under this subsection shall use the same meal patterns and shall receive reimbursement payments for meals and supplements at the same rates provided to child care centers participating in the child care food program under section 17 for free meals and supplements. The projects shall receive reimbursement payments for meals and supplements served on Saturdays, Sundays, and holidays, at the request of the sponsor of any such project. The meal pattern requirements of this subparagraph may

be modified as necessary by the Secretary to take into account the needs of infants.

[(B) Homeless children under the age of 6 in emergency shelters shall be considered eligible for free meals without application.

[(4) For purposes of this subsection, the term "emergency shelter" has the meaning given such term in section 321(2) of the Stewart B. McKinney Homeless Assistance Act.

[(5)(A) Except as provided in subparagraph (B), the Secretary shall expend to carry out this subsection from amounts appropriated for purposes of carrying out this Act not less than $50,000 in the fiscal year 1990 not less than $350,000 in each of fiscal years 1991 and 1992, not less than $650,000 in fiscal year 1993, and not less than $800,000 in fiscal year 1994, in addition to any amounts made available under section 7(a)(5)(B)(i)(I) of the Child Nutrition Act of 1966. Any amounts expended under the preceding sentence shall be used solely to provide grants on an annual basis to State, city, local, or county governments, other public entities, or private nonprofit organizations for the conduct of projects under this subsection.

[(B) The Secretary may expend less than the amount required under subparagraph (A) if there is an insufficient number of suitable applicants.

[(6) At least 1 project under this subsection shall commence operations not later than September 30, 1990, and all such projects shall cease to operate not later than September 30, 1994.

[(7) The Secretary shall advise each State of the availability of the projects established under this subsection for States, cities, counties, local governments and other public entities, and shall advise each State of the procedures for applying to participate in the project.

[(d)] *(c)*(1)(A) The Secretary shall carry out a pilot program for purposes of identifying alternatives to—

(i) * * *

* * * * * * *

(d)(1) The Secretary shall establish a program beginning on the first July 1st which occurs after the date of the enactment of this subsection to assist schools in offering greater quantities of fresh fruits and vegetables to students in order to improve the overall nutritional quality of meals served under the school lunch program established under this Act.

(2) The Secretary shall establish procedures under which all schools currently participating in the school lunch program established under this Act may apply to participate in the program.

(3)(A) Subject to subparagraph (B), the Secretary shall, for each fiscal year in which a school participates in the program, provide commodity letters of credit to such school in an amount equal to 10 percent of the total commodity entitlement of such school under section 6 for each such fiscal year to be used for the purchase of fresh fruits and vegetables under the program.

(B) The Secretary shall, for each fiscal year described in subparagraph (A), reduce the amount of the total commodity entitlement of such school under section 6 by the amount described in such subparagraph.

(e)(1)(A) The Secretary shall establish a demonstration program to provide grants to eligible institutions or schools to provide meals or supplements to adolescents participating in educational, recreational, or other programs and activities provided outside of school hours.

(B) The amount of a grant under subparagraph (A) shall be equal to the amount necessary to provide meals or supplements described in such subparagraph and shall be determined in accordance with reimbursement payment rates for meals and supplements under the child and adult care food program under section 17 of this Act.

(2) The Secretary may not provide a grant under paragraph (1) to an eligible institution or school unless such institution or school submits to the Secretary an application containing such information as the Secretary may reasonably require.

(3) The Secretary may not provide a grant under paragraph (1) to an eligible institution or school unless such institution or school agrees that—

(A) it will use amounts from such grant to provide meals or supplements under educational, recreational, or other programs and activities for adolescents outside of school hours, and such programs and activities are carried out in geographic areas in which there are high rates of poverty, violence, or drug and alcohol abuse among school-aged youths; and

(B) it will use the same meal patterns as meal patterns required under the child and adult care food program under section 17 of this Act.

(4) Determinations with regard to eligibility for free and reduced price meals and supplements provided under programs and activities under this subsection shall be made in accordance with the income eligibility guidelines for free and reduced price lunches under section 9 of this Act.

(5)(A) Except as provided in subparagraph (B), the Secretary shall expend to carry out this subsection from amounts appropriated for purposes of carrying out section 17 of this Act, not less than $100,000 in each of the fiscal years 1995 through 1998. In addition to amounts described in the preceding sentence, the Secretary shall expend any additional amounts in any fiscal year as may be provided in advance in appropriations Acts.

(B) The Secretary may expend less than the amount required under subparagraph (A) if there is an insufficient number of suitable applicants.

(6) For the purposes of this subsection—

(A) the term "adolescent" means a child who has attained the age of 13 but has not attained the age of 19;

(B) the term "eligible institution or school" means—

(i) an institution, as such term is defined in section 17 of this Act; or

(ii) an elementary or secondary school participating in the school lunch program under this Act; and

(C) the term "outside of school hours" means after-school hours, weekends, or holidays during the regular school year.

SEC. 19. REDUCTION OF PAPERWORK.

(a) IN GENERAL.—In carrying out functions under this Act and the Child Nutrition Act of 1966, the Secretary shall, to the maxi-

mum extent possible, reduce the paperwork required of State and local educational agencies, schools, [and] other agencies participating in nutrition programs assisted under such Acts, *and families of children participating in such programs* in connection with such participation.

* * * * * * *

SEC. 21. TRAINING, TECHNICAL ASSISTANCE, AND FOOD SERVICE MANAGEMENT INSTITUTE.

(a) * * *

* * * * * * *

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

(1) * * *

[(2) $1,000,000 for the fiscal year 1990 and $4,000,000 for each of the fiscal years 1991, 1992, 1993, and 1994 for purposes of carrying out subsection (a)(2).]

(2) $1,700,000 for each of the fiscal years 1995, 1996, 1997, and 1998 for purposes of carrying out subsection (a)(2).

* * * * * * *

SEC. 25. DUTIES OF THE SECRETARY RELATING TO NONPROCUREMENT DEBARMENT.

(a) PURPOSES.—The purposes of this section are to promote the prevention and deterrence of instances of fraud, bid rigging, and other anticompetitive activities encountered in the procurement of products for child nutrition programs by—

(1) establishing guidelines and a timetable for the Secretary to initiate debarment proceedings, as well as establishing mandatory debarment periods; and

(2) providing training, technical advice, and guidance in identifying and preventing such activities.

(b) DEFINITIONS.—For purposes of this section, the following definitions apply:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) CHILD NUTRITION PROGRAM.—The term "child nutrition program" means—

(A) the school lunch program established under this Act;

(B) the school breakfast program established under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773);

(C) the special milk program established under section 3 of such Act (42 U.S.C. 1772);

(D) the special nutrition program for women, infants, and children authorized under section 17 of such Act (42 U.S.C. 1786);

(E) the summer food service program for children established under section 13 of this Act;

(F) the child and adult care food program established under section 17 of this Act; and

(G) the homeless children nutrition program under section 17B of this Act.

(3) CONTRACTOR.—The term "contractor" means a person that contracts with a State, an agency of a State, or a local agency to provide goods in conjunction with the participation of a local agency in a child nutrition program.

(4) LOCAL AGENCY.—The term "local agency" means a school, school food authority, child care center, sponsoring organization, or other entity authorized to operate a child nutrition program at the local level.

(5) NONPROCUREMENT DEBARMENT.—The term "nonprocurement debarment" means an action to bar a person from programs and activities involving Federal financial and nonfinancial assistance, but not including Federal procurement programs and activities.

(6) PERSON.—The term "person" means any individual, corporation, partnership, association, or other legal entity, however organized.

(c) ASSISTANCE TO IDENTIFY AND PREVENT FRAUD AND ANTICOMPETITIVE ACTIVITIES.—The Secretary shall—

(1) in cooperation with the food service management institute authorized under section 21 and with any other appropriate individual, organization, or agency, provide advice, training, technical assistance, and guidance (which may include awareness training, training films, and troubleshooting advice) to representatives of States and local agencies regarding means of identifying and preventing fraud and anticompetitive activities relating to the provision of goods in conjunction with the participation of a local agency in a child nutrition program; and

(2) provide information to, and fully cooperate with, the Attorney General and State attorneys general regarding investigations of fraud and anticompetitive activities relating to the provision of goods in conjunction with the participation of a local agency in a child nutrition program.

(d) NONPROCUREMENT DEBARMENT.—

(1) IN GENERAL.—Except as provided in paragraph (3), not later than 180 days after notification of the occurrence of a cause for debarment described in paragraph (2), the Secretary shall initiate nonprocurement debarment proceedings against the contractor who has committed the cause for debarment.

(2) CAUSES FOR DEBARMENT.—Actions requiring initiation of nonprocurement debarment pursuant to paragraph (1) shall include the following:

(A) A contractor commits an action or series of actions which constitute a substantial and material violation of a regulation of a child nutrition program of the Department of Agriculture, as determined by the Secretary.

(B) A contractor is found guilty in any criminal, civil, or administrative proceeding, or found liable in any civil or administrative proceeding, in connection with the supplying, providing, or selling of goods to any local agency or to any Federal agency in connection with the child nutrition programs, of—

(i) an anticompetitive activity, including bid-rigging, price-fixing, the allocation of customers between competitors, or other violation of Federal or State antitrust laws;

(ii) fraud, bribery, theft, forgery or embezzlement;

(iii) breach of contract;

(iv) making a false claim or statement; or

(v) other obstruction of justice.

(3) EXCEPTION.—If the Secretary determines that a decision on initiating nonprocurement debarment proceedings cannot be made within 180 days after notification of the occurrence of a cause for debarment described in paragraph (2) because of the need to further investigate matters relating to the possible debarment, the Secretary may have such additional time as the Secretary considers necessary to make a decision, but not to exceed an additional 180 days.

(4) MANDATORY CHILD NUTRITION PROGRAM DEBARMENT PERIODS.—

(A) IN GENERAL.—Subject to the other provisions of this paragraph and notwithstanding any other provision of law except subsection (e), if, after deciding to initiate nonprocurement debarment proceedings pursuant to paragraph (1), the Secretary decides to debar a contractor, the debarment shall be for a period of not less than 3 years.

(B) PREVIOUS DEBARMENT.—If the contractor has been previously debarred pursuant to nonprocurement debarment proceedings initiated pursuant to paragraph (1), and the cause for debarment is described in paragraph (2) based on activities that occurred subsequent to the initial debarment, the debarment shall be for a period of not less than 5 years.

(C) SCOPE.—At a minimum, a debarment under this subsection shall serve to bar the contractor for the specified period from contracting to provide goods in conjunction with the participation of a local agency in a child nutrition program.

(D) REVERSAL, REDUCTION, OR EXCEPTION.—Nothing in this paragraph shall restrict the ability of the Secretary to reverse a debarment decision, to reduce the period or scope of a debarment, nor to grant an exception permitting a debarred contractor to participate in a particular contract to provide goods in conjunction with the participation of a local agency in a child nutrition program, if the Secretary determines there is good cause for the action.

(5) INFORMATION.—On request, the Secretary shall present to the appropriate congressional committees information regarding the decisions required by this subsection.

(6) RELATIONSHIP TO OTHER AUTHORITIES.—A debarment imposed under this section shall not reduce or diminish the authority of a Federal, State, or local government agency or court to penalize, imprison, fine, suspend, debar, or take other adverse action against a person in a civil, criminal, or administrative proceeding.

(7) REGULATIONS.—The Secretary shall issue such regulations as are necessary to carry out this subsection.

(e) MANDATORY DEBARMENT.—Notwithstanding any other provision of this section, the Secretary shall initiate nonprocurement debarment proceedings against the contractor (including any cooperative) who has committed the cause for debarment (as determined under subsection (d)(2)), unless the action—

(1) is likely to have a significant adverse effect on competition or prices in the relevant market or nationally;

(2) will interfere with the ability of a local agency to procure a needed product for a child nutrition program;

(3) is unfair to a person, subsidiary corporation, affiliate, parent company, or local division of a corporation that is not involved in the improper activity that would otherwise result in the debarment; or

(4) is not in the public interest, as determined by the Secretary.

(f) EXHAUSTION OF ADMINISTRATIVE REMEDIES.—Prior to seeking judicial review in a court of competent jurisdiction, a contractor against whom a nonprocurement debarment proceeding has been initiated shall—

(1) exhaust all administrative procedures prescribed by the Secretary; and

(2) receive notice of the final determination of the Secretary.

(g) INFORMATION RELATING TO PREVENTION AND CONTROL OF ANTICOMPETITIVE ACTIVITIES.—On request, the Secretary shall present to the appropriate congressional committees information regarding the activities of the Secretary relating to anticompetitive activities, fraud, nonprocurement debarment, and any waiver granted by the Secretary under this section.

CHILD NUTRITION ACT OF 1966

* * * * * * *

SCHOOL BREAKFAST PROGRAM AUTHORIZATION

SEC. 4. (a) * * *

* * * * * * *

NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS

(e)[(1) Breakfasts served by schools] *(1)(A) Breakfasts served by schools* participating in the school breakfast program under this section shall consist of a combination of foods and shall meet minimum nutritional requirements prescribed by the Secretary on the basis of tested nutritional research. Such breakfasts shall be served free or at a reduced price to children in school under the same terms and conditions as are set forth with respect to the service of lunches free or at a reduced price in section 9 of the National School Lunch Act.

(B) The Secretary shall provide technical assistance to those schools participating in the school breakfast program under this section to assist such schools in complying with the nutritional requirements prescribed by the Secretary pursuant to subparagraph

(A). The Secretary shall provide additional technical assistance to those schools that are having difficulty maintaining compliance with such requirements.

* * * * * * *

EXPANSION OF PROGRAM

(f)(1)*(A)* As a national nutrition and health policy, it is the purpose and intent of the Congress that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance. The Secretary is hereby directed, in cooperation with State educational agencies, to carry out a program of information in furtherance of this policy.

(B) In cooperation with State educational agencies, the Secretary shall establish a program to promote the school breakfast program by—

(i) marketing the program in a manner that expands participation in the program by schools and students; and

(ii) improving public education and outreach efforts in language appropriate materials that enhance the public image of the program.

(C) For purposes of this paragraph, the term "language appropriate materials" means materials using languages other than the English language when those languages are dominant for a large percentage of individuals participating in the program.

* * * * * * *

STARTUP COSTS

(g)(1) The Secretary shall make payments, totalling not less than [$3,000,000 in the fiscal year 1990 and $5,000,000 for each of the fiscal years 1991, 1992, 1993, and 1994] *$5,000,000 for fiscal year 1995 and each succeeding fiscal year*, on a competitive basis to State educational agencies in a substantial number of States for distribution to eligible schools to assist such schools with nonrecurring expenses incurred in initiating a school breakfast program under this section. Payments received under this subsection shall be in addition to payments to which State agencies are entitled under subsection (b).

* * * * * * *

(5) As used in this subsection *and subsection (h)*, the term "eligible school" means a school—

(A) * * *

(B) that agrees to operate the breakfast program established *or expanded* with such assistance for a period of not less than 3 years.

* * * * * * *

EXPANSION OF PROGRAMS

(h)(1) The Secretary may use not more than $1,000,000 of funds made available under subsection (g)(1) for any fiscal year to make payments on a competitive basis to State educational agencies for distribution to eligible schools to assist such schools with expenses

incurred in expanding a school breakfast program established under this section. Payments received under this subsection shall be in addition to payments to which State educational agencies are entitled under subsection (b).

(2) In making payments under this subsection in any fiscal year, the Secretary shall provide a preference to State educational agencies that submit to the Secretary—

(A) a plan to expand school breakfast programs conducted in the State, including a description of—

(i) the manner in which the agency will provide technical assistance and funding to schools in the State to expand the programs; or

(ii) significant public or private resources that have been assembled to carry out the expansion of the programs during the year; or

(B) documentation of the need for—

(i) equipment, including the purchase, replacement, or upgrading of equipment associated with expanding the school breakfast program; or

(ii) other needs, including a need for temporary personnel, or funds to defray administrative or other costs associated with expanding the school breakfast program.

(3) Subparagraphs (B) and (C) of subsection (g)(2), and paragraphs (3) through (5) of subsection (g), shall apply to payments made under this subsection.

* * * * * * *

STATE ADMINISTRATIVE EXPENSES

SEC. 7. (a)(1) * * *

* * * * * * *

(5)(A) * * *

(B)(i) In the fiscal year 1991 and each succeeding fiscal year, any amounts appropriated that are not obligated or expended during such fiscal year and are not carried over for the succeeding fiscal year under subparagraph (A) shall be returned to the Secretary. From any amounts returned to the Secretary under the preceding sentence:

(I) The Secretary shall allocate, for the purpose of providing grants on an annual basis to public entities and private nonprofit organizations participating in [projects under section 18(c) of the National School Lunch Act (42 U.S.C. 1769(c))] *projects under section 17B of the National School Lunch Act*, not more than $4,000,000 in each of fiscal years [1993 and 1994] *1995 through 1998*. Subject to the maximum allocation for the projects for each fiscal year, at the beginning of each of fiscal years [1993 and 1994] *1995 through 1998*, the Secretary shall allocate, from funds available under this section that have not been otherwise allocated to the States, an amount equal to the estimates by the Secretary of funds to be returned under this clause, but not less than $1,000,000 in each fiscal year. To the extent that amounts returned to the Secretary are less than estimated or are insufficient to meet the needs of the projects, the Secretary may, subject to the

maximum allocations established in this subclause, allocate amounts to meet the needs of the projects from funds available under this section that have not been otherwise allocated to States.

* * * * * * *

(9)(A) If the Secretary determines that a State's administration of any program under this Act (other than section 17) or under the National School Lunch Act, or compliance with regulations issued pursuant to such Acts, is seriously deficient, and the State fails to correct the deficiency within a specified period of time, the Secretary may withhold from the State some or all of the funds allocated to the State under this section or under sections 13(k)(1) or 17 of the National School Lunch Act (42 U.S.C. 1761(k)(1) and 1766).

(B) Upon a subsequent determination by the Secretary that the administration of any program referred to in subparagraph (A), or compliance with the regulations issued to carry out such programs, is no longer seriously deficient and is operated in an acceptable manner, the Secretary may allocate some or all of the funds withheld under such subparagraph.

* * * * * * *

(h) The Secretary may not provide amounts under this section to a State for administrative costs incurred in any fiscal year unless the State agrees to participate in any study or survey of programs authorized under this Act or the National School Lunch Act and conducted by the Secretary.

[(h)] *(i)* For the fiscal year beginning October 1, 1977, and each succeeding fiscal year ending before October 1, [1994] *1998*, there are hereby authorized to be appropriated such sums as may be necessary for the purposes of this section.

* * * * * * *

[SPECIAL SUPPLEMENTAL FOOD PROGRAM]

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN

SEC. 17. (a) * * *

(b) As used in this section—

(1) * * *

* * * * * * *

(8) "Nutritional risk" means (A) detrimental or abnormal nutritional conditions detectable by biochemical or anthropometric measurements, (B) other documented nutritionally related medical conditions, *such as alcoholism or drug abuse*, (C) dietary deficiencies that impair or endanger health, or (D) conditions that predispose persons to inadequate nutritional patterns or nutritionally related medical conditions, including, but not limited to, alcoholism and drug addiction, homelessness, [and migrancy] *migrancy, and pregnancy*.

* * * * * * *

(c)(1) The Secretary may carry out a [special supplemental food program] *special supplemental nutrition program* to assist State agencies through grants-in-aid and other means to provide,

through local agencies, at no cost, supplemental foods and nutrition education to low-income pregnant, postpartum, and breastfeeding women, infants, and children who satisfy the eligibility requirements specified in subsection (d) of this section. The program shall be supplementary to—

(A) the food stamp program;

(B) any program under which foods are distributed to needy families in lieu of food stamps; and

(C) receipt of food or meals from soup kitchens, or shelters, or other forms of emergency food assistance.

* * * * * * *

(5) The Secretary shall promote the program by producing and distributing materials, including television and radio public service announcements in English and other appropriate languages, that inform potentially eligible individuals of the benefits and services under the program.

(d)(1) * * *

(2)(A) * * *

* * * * * * *

(C) In the case of a pregnant woman who is otherwise ineligible for participation in the program because the family of such woman is of insufficient size to meet the income eligibility standards of the program, such pregnant woman shall be considered to have satisfied such income eligibility standards if, by increasing the number of individuals in the family of such woman by one individual, such income eligibility standards would be met.

(f)(1) * * *

* * * * * * *

(3) The Secretary shall establish procedures under which eligible migrants may, to the maximum extent feasible, continue to participate in the program under this section when they are present in States other than the State in which they were originally certified for participation in the program. Each State agency shall be responsible for administering the program for migrant populations within its jurisdiction *and shall ensure that local programs provide priority consideration to serving migrant participants who are residing in the State for a limited period of time.*

* * * * * * *

[(18)(A) Except as provided in subparagraph (B), a State agency may implement income eligibility guidelines under this section at the time the State implements income eligibility guidelines under the medicaid program.

[(B) Income eligibility guidelines under this section shall be implemented not later than July 1 of each year.]

(18) A State agency may implement income eligibility guidelines under this section concurrently with the implementation of income eligibility guidelines under the medicaid program prior to, but not later than, July 1 of each year.

* * * * * * *

(23) A State agency may use funds recovered as a result of violations in the food delivery system of the program in the year in which

such funds are collected for the purpose of carrying out the program.

(g)(1) There are authorized to be appropriated to carry out this section $2,158,000,000 for the fiscal year 1990, and such sums as may be necessary for each of the fiscal years [1991, 1992, 1993, and 1994] *1995 through 1998*. As authorized by section 3 of the National School Lunch Act, appropriations to carry out the provisions of this section may be made not more than 1 year in advance of the beginning of the fiscal year in which the funds will become available for disbursement to the States, and shall remain available for the purposes for which appropriated until expended.

* * * * * * *

(5) Of the sums appropriated for any fiscal year for the program under this section, one-half of 1 percent, not to exceed $5,000,000, shall be available to the Secretary for the purpose of evaluating program performance, evaluating health benefits, preparing the report required under subsection (d)(4), providing technical assistance to improve State agency administrative systems, [and administration of pilot projects] *administration of pilot projects*, including projects designed to meet the special needs of migrants, Indians, and rural populations, *and carrying out technical assistance and research evaluation projects of the programs under this section.*

* * * * * * *

(h)(1) * * *

(2)(A) For each of the fiscal years [1990, 1991, 1992, 1993 and 1994] *1995 through 1998*, the Secretary shall allocate to each State agency from the amount described in paragraph (1)(A) an amount for costs of nutrition services and administration on the basis of a formula prescribed by the Secretary. Such formula—

(i) * * *

* * * * * * *

(3)(A) Except as provided in subparagraphs (B) and (C), in each fiscal year, each State agency shall expend—

(i) for nutrition education activities and breastfeeding promotion and support activities, an aggregate amount that is not less than the sum of—

(I) * * *

(II) an amount equal to a proportionate share of [$8,000,000,] *the national minimum breastfeeding promotion expenditure, as described in subparagraph (E),* with each State's share determined on the basis of the number of pregnant women and breastfeeding women in the program in the State as a percentage of the number of pregnant women and breastfeeding women in the program in all States; and

* * * * * * *

(E) The national minimum breastfeeding promotion expenditure means—

(i) with respect to fiscal year 1995, the amount that is equal to $21 multiplied by the number of pregnant women and breastfeeding women nationwide, based on the average of the last 3 months for which the Secretary has final data; and

(ii) with respect to each of the fiscal years 1996 through 1998, the amount described in clause (i) adjusted for inflation in accordance with paragraph (1)(B)(ii).

(4) The Secretary shall—

(A) * * *

* * * * * * *

(C) require each State agency to designate an agency staff member to coordinate breastfeeding promotion efforts identified in the State plan of operation and administration; [and]

(D) require the State agency to provide training on the promotion and management of breastfeeding to staff members of local agencies who are responsible for counseling participants in the program under this section concerning breastfeeding[.]; *and*

(E) not later than 1 year after the date of the enactment of this subparagraph, develop uniform requirements for the collection of data regarding incidence and duration of breastfeeding among participants in the program, and upon development of such uniform requirements, require each State agency to report such data for inclusion in the report to Congress described in section 17(d)(4).

* * * * * * *

(8)(A) * * *

* * * * * * *

(D)(i) * * *

* * * * * * *

(iii) The Secretary shall provide information [at 6-month intervals] *on a timely basis* to the Committee on Education and Labor of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on waivers that have been granted under clause (i).

* * * * * * *

(L) A State will not incur an interest liability to the Federal Government on rebate funds for infant formula and other foods if all interest earned by the State on such funds is used for program purposes.

* * * * * * *

(10)(A) For each of the fiscal years 1995 through 1998, from unspent funds for nutrition services and administration from the previous fiscal year, the Secretary shall use $10,000,000 for the purposes specified in subparagraph (B), except that if the amount of such unspent funds is less than $10,000,000 for the previous fiscal year, the amount under this subparagraph shall equal the amount of such funds.

(B) Funds under subparagraph (A) shall be used for—

(i) development of infrastructure for the program under this section, including management information systems;

(ii) special state projects of regional or national significance directed toward improving the services of the program under this section; and

(iii) special breastfeeding support and promotion projects, including projects to assess the effectiveness of particular breastfeeding promotion strategies and to develop State or local agency capacity or facilities to provide quality breastfeeding services.

* * * * * * *

(k)(1) There is hereby established a National Advisory Council on Maternal, Infant, and Fetal Nutrition (referred to in this subsection as the "Council") composed of 24 members appointed by the Secretary. One member shall be a State director of a program under this section; one member shall be a State official responsible for a commodity supplemental food program under section 1304 of the Food and Agriculture Act of 1977; one member shall be a State fiscal officer of a program under this section (or the equivalent thereof); one member shall be a State health officer (or the equivalent thereof); one member shall be a local agency director of a program under this section in an urban area; one member shall be a local agency director of a program under this section in a rural area; one member shall be a project director of a commodity supplemental food program; one member shall be a State public health nutrition director (or the equivalent thereof); one member shall be a representative of an organization serving migrants; one member shall be an official from a State agency predominantly serving Indians; three members shall be parent participants of a program under this section or of a commodity supplemental food program; one member shall be a pediatrician; one member shall be an obstetrician; one member shall be a representative of a nonprofit public interest organization that has experience with and knowledge of the [special supplemental food program] *special supplemental nutrition program*; one member shall be a person involved at the retail sales level of food in the [special supplemental food program] *special supplemental nutrition program*; two members shall be officials of the Department of Health and Human Services appointed by the Secretary of Health and Human Services; two members shall be officials of the Department of Agriculture appointed by the Secretary; 1 member shall be an expert in the promotion of breast feeding; one member shall be an expert in drug abuse education and prevention; and one member shall be an expert in alcohol abuse education and prevention.

* * * * * * *

(m)(1) Subject to the availability of funds appropriated for the purposes of this subsection, and as specified in this subsection, the Secretary shall award grants to States that submit State plans that are approved for the establishment or maintenance of programs designed to provide recipients of assistance under subsection (c)[, or those who are on the waiting list to receive the assistance,] with coupons that may be exchanged for fresh, nutritious, unprepared foods at farmers' markets, as defined in the State plans submitted under this subsection.

* * * * * * *

(5) Each State that receives a grant under this subsection shall ensure that the program for which the grant is received complies with the following requirements:

(A) * * *

* * * * * * *

(F)(i) Except as provided in clauses (ii) and (iii), the State may use for administration of the program in any fiscal year not more than [15] *17* percent of the total amount of program funds.

[(ii) During the first fiscal year for which a State receives assistance under this subsection, the Secretary shall permit the State to use 2 percent of the total program funds for administration of the program in addition to the amount the State is permitted to use under clause (i). During any fiscal year other than the first fiscal year for which a State receives assistance under this subsection, upon the showing by the State of financial need, the Secretary may permit the State to use not more than 2 percent of the total program funds for administration of the program in addition to the amount the State is permitted to use under clause (i).

[(iii) The provisions of clauses (i) and (ii) with respect to the use of program funds for the administration of the program shall not apply to any funds that a State may contribute in excess of the funds used by the State to meet the requirements of paragraph (3).]

(ii) During any fiscal year for which a State receives assistance under this subsection, the Secretary shall permit the State to use 3 percent of total program funds for market development if the Secretary determines that the State intends to promote the development of farmers' markets in socially or economically disadvantaged areas or remote rural areas where individuals eligible for participation in the program have limited access to locally grown fruits and vegetables.

* * * * * * *

[(6)(A) Each State that received assistance under the demonstration program authorized by this subsection in a fiscal year ending before October 1, 1991, shall receive assistance under this subsection if the State complies with the requirements established by this subsection, as determined by the Secretary.]

(6)(A) The Secretary shall continue to provide funding to States which participated in the program in the most recent fiscal year as prescribed by subparagraph (B) or as a part of the demonstration program authorized by this subsection in a fiscal year ending before October 1, 1991. After satisfying the requirements of subparagraph (B), the Secretary shall inform each State of the award of funds as prescribed by subparagraph (G) by February 1st of each year.

* * * * * * *

(C) In providing funds to serve additional recipients in a State that received assistance under this subsection in the previous fiscal year, the Secretary shall consider—

(i) * * *

(ii) documentation that justifies the need for an increase in participation; [and]

(iii) demonstrated ability to satisfactorily operate the existing program[.]; *and*

(iv) the number of persons receiving assistance under subsection (c) but not receiving benefits under this subsection.

* * * * * * *

(G)(i) An amount equal to [45 to 55] *75* percent of the funds available after satisfying the requirements of subparagraph (B) shall be made available to States participating in the program that wish to serve additional recipients, and whose State plan to do so is approved by the Secretary. If this amount is greater than that necessary to satisfy the approved State plans for additional recipients, the unallocated amount shall be applied toward satisfying any unmet need of States that have not participated in the program in the prior fiscal year, and whose State plans have been approved.

(ii) An amount equal to [45 to 55] *25* percent of the funds available after satisfying the requirements of subparagraph (B) shall be made available to States that have not participated in the program in the prior fiscal year, and whose State plans have been approved by the Secretary. If this amount is greater than that necessary to satisfy the approved State plans for new States, the unallocated amount shall be applied toward satisfying any unmet need of States that desire to serve additional recipients, and whose State plans have been approved.

* * * * * * *

(10)(A) There are authorized to be appropriated to carry out this subsection [$3,000,000 for fiscal year 1992, $6,500,000 for fiscal year 1993, and] $8,000,000 for fiscal year 1994, *$10,500,000 for fiscal year 1995, and such sums as may be necessary for each of the fiscal years 1996, 1997, and 1998.*

(B)(i)(I) * * *

(II) Notwithstanding any other provision of this subsection, a total of not more than 5 percent of funds made available to a State for any fiscal year may be expended by the State to reimburse expenses incurred for a program assisted under this subsection during the preceding fiscal year [or may be retained by the State to reimburse expenses expected to be incurred for such a program during the succeeding fiscal year.].

(ii) The Secretary shall establish procedures to reallocate funds that are returned under clause (i). [Funds that remain unexpended at the end of any demonstration project authorized by this subsection (as it existed on September 30, 1991) shall be reallocated in a similar manner.]

(11) For purposes of this subsection:

(A) * * *

* * * * * * *

(D) The term "State agency" has the meaning provided in subsection (b)(13), except that the term also includes the agri-

culture department of each State *or any other agency approved by the chief executive officer of the State*.

* * * * * * *

(o)(1) Subject to the availability of funds appropriated for the purpose of carrying out this subsection, the Secretary is authorized to establish a demonstration program for the establishment of clinics for participants in the program under this section at community colleges that offer nursing education programs. In determining the location of clinics under this subsection, the Secretary shall consider—

(A) the location of the community college under consideration;

(B) its accessibility to individuals eligible to participate in the [special supplemental food program] *special supplemental nutrition program* under this section; and

* * * * * * *

(q)(1) The Secretary and the Secretary of Health and Human Services (hereafter in this subsection referred to as the "Secretaries") shall jointly establish and carry out an initiative for the purpose of providing both supplemental foods and nutrition education under the special supplemental nutrition program and health care services to low-income pregnant, postpartum, and breastfeeding women, infants, and children at substantially more community health centers and migrant health centers.

(2) Such initiative shall also include—

(A) activities to improve the coordination of the provision of supplemental foods and nutrition education under the special supplemental nutrition program and health care services at facilities funded by the Indian Health Service; and

(B) development and implementation of strategies to ensure that, to the maximum extent feasible, new health care facilities established in medically underserved areas as a result of subsequent Federal health care reform legislation provide supplemental foods and nutrition education under the special supplemental nutrition program.

(3) Such initiative may include—

(A) outreach and technical assistance for State and local agencies and such health centers;

(B) demonstration projects in selected State or local areas; and

(C) such other activities as the Secretaries find appropriate.

(4)(A) Not later than April 1, 1995, the Secretaries shall prepare and submit to the Congress an initial report on the actions the Secretaries intend to take to carry out the initiative.

(B) Not later than July 1, 1996, the Secretaries shall prepare and submit to the Congress an interim report on the actions the Secretaries are taking under the initiative or actions the Secretaries intend to take under the initiative as a result of their experience in implementing the initiative.

(C) Upon completion of the initiative, the Secretaries shall prepare and submit to the Congress a final report containing an evaluation of the initiative and a plan to further the goals of the initiative.

(5) As used in this subsection—

(A) the term "community health center" has the meaning given such term under section 330 of the Public Health Service Act (42 U.S.C. 254c); and

(B) the term "migrant health center" has the meaning given such term under section 329 of the Public Health Service Act (42 U.S.C. 254b).

* * * * * * *

NUTRITION EDUCATION AND TRAINING

SEC. 19. (a) * * *

* * * * * * *

USE OF FUNDS

[(f)(1) The funds**]** *(f)(1)(A) The funds* made available under this section may, under guidelines established by the Secretary, be used by State educational agencies **[**for (A) employing**]** *for—*

(i) employing a nutrition education specialist to coordinate the program, including travel and related personnel costs;

[(B)**]** *(ii)* undertaking an assessment of the nutrition education needs of the State;

[(C)**]** *(iii)* developing a State plan of operation and management for nutrition education;

[(D)**]** *(iv)* applying for and carrying out planning and assessment grants;

[(E)**]** *(v)* pilot projects and related purposes;

[(F)**]** *(vi)* the planning, development, and conduct of nutrition education programs and workshops for food service and educational personnel;

[(G)**]** *(vii)* coordinating and promoting nutrition information and education activities in local school districts (incorporating, to the maximum extent practicable, as a learning laboratory, the child nutrition programs);

[(H)**]** *(viii)* contracting with public and private nonprofit educational institutions for the conduct of nutrition education instruction and programs relating to the purposes of this section; **[**and**]**

(ix) providing funding for a nutrition component in the health education curriculum offered to children in kindergarten through grade 12;

(x) instructing teachers, school administrators, or other school staff on how to promote better nutritional health and to motivate children of varying linguistic and cultural backgrounds to practice sound eating habits;

(xi) developing means of providing nutrition education in language-appropriate materials to children and families of children through after-school programs;

(xii) training in relation to healthy and nutritious meals;

(xiii) creating instructional programming, including language-appropriate materials and programming, for teachers, school food service personnel, and parents on the relationships between nutrition and health and the role of the food guide pyramid established by the Secretary;

(xiv) funding aspects of the Strategic Plan for Nutrition and Education issued by the Secretary;

(xv) increasing evaluation efforts at the State level regarding needs assessment for nutrition education efforts;

(xvi) encouraging public service advertisements, including language-appropriate materials and advertisements, to promote healthy eating habits for children; and

[(I)] *(xvii)* related nutrition education purposes, including the preparation, testing, distribution, and evaluation of visual aids and other informational and educational materials.

(B) For purposes of this paragraph, the term "language appropriate materials" means materials using languages other than the English language when those languages are dominant for a large percentage of individuals participating in the program.

* * * * * * *

APPROPRIATIONS AUTHORIZED

(i)(1) * * *

(2)(A) There is authorized to be appropriated for grants to each State for the conduct of [nutrition education and information programs—

[(i) $10,000,000 for the fiscal year 1990;

[(ii) $15,000,000 for the fiscal year 1991;

[(iii) $20,000,000 for the fiscal year 1992; and

[(iv) $25,000,000 for each of the fiscal years 1993 and 1994.] *nutrition education and information programs $10,300,000 for each of the fiscal years 1995, 1996, 1997, and 1998.*

* * * * * * *

(3) Funds made available to any State under this section shall remain available to the State for obligation in the fiscal year succeeding the fiscal year in which such funds were received by the State.

[(3)] *(4)* Enrollment data used for purposes of this subsection shall be the latest available as certified by the Department of Education.

* * * * * * *

SECTION 3 OF THE COMMODITY DISTRIBUTION REFORM ACT AND WIC AMENDMENTS OF 1987

SEC. 3. COMMODITY DISTRIBUTION PROGRAM REFORMS.

(a) * * *

* * * * * * *

(h) BUY AMERICAN PROVISION.—

(1) * * *

* * * * * * *

(3) EXCEPTION.—The requirement established in paragraph (1) shall not apply to recipient agencies in Alaska, [Hawaii,] Guam, American Samoa, Puerto Rico, the Virgin Islands, or the Commonwealth of the Northern Mariana Islands.

* * * * * * *

MINORITY VIEWS

H.R. 8—THE HEALTHY MEALS FOR HEALTHY AMERICANS ACT

H.R. 8, as approved by the Committee on Education and Labor on May 18, makes many important improvements to our existing child nutrition programs. In addition, the Committee was able to stay within current fiscal restraints and should be commended. As a result, the bill approved by the Committee received bipartisan support.

However, we disagree with the "Universal School Lunch and Breakfast Pilot Program" amendment offered by Mr. Miller (CA). This amendment would allow school districts to serve *all* children free meals if more than 30 percent of the participating children in the lunch and breakfast programs qualify for free and reduced priced meals.

It is our view that acceptance of this amendment, even though it is subject to appropriations, sets a bad precedent. There is no justification for the government providing free meals to all school lunch children regardless of ability to pay. Parents who can afford to pay should continue to do so. Under the Miller amendment, schools having 70 percent of its students able to pay for their meals would be allowed to serve all students for free with the government paying the bill.

While support is provided to schools through Section 4 payments for the basic infrastructure of the school lunch system, there is no reason for additional payments for students who are able to pay for their meals.

One of the arguments proponents of this proposal use to support the concept of universal meals is that it will reduce the stigma placed on free and reduced-price children. However, there are other ways to reduce the stigma attached to receiving free and reduced price meals. For example, some school districts are utilizing "credit cards" where students who can pay have the same card as those who are free or reduced-price and no one knows the difference.

There is no evidence the "paying child" would participate in greater numbers if meals were free. Eighty-five percent of those children eligible to eat for free take part in the school lunch program. In comparison, only 69 percent of those who quality for reduced-price meals and only 46 percent of those who can afford to pay participate in the school lunch program. In the end, it is a matter of choice.

We have included language in H.R. 8 which would allow schools to serve all students free as long as they do so at no extra cost to the government. It is expected that high poverty schools will take advantage of this option since they would be able to sufficiently reduce their costs due to less paperwork and offset the difference between government reimbursement and actual program costs.

Although Mr. Miller's amendment requires the difference between a school's previous year reimbursements and the cost of feeding all students for free to be paid for separate appropriations of non-federal sources, it is likely it would have to come from separate appropriations. And, as we all know, once we start down this path, it is hard to retreat.

Currently schools receive $1.56 in payments for each free meal, $1.16 for each reduced price mean, and $0.16.5 for each full price lunch served. In addition, they receive 14 cents per meal in entitlement commodities. In a school where 70 percent of students pay for their meals, the additional cost to the federal government to feed all students for free is simply too high in this time of Federal budget constraints.

While a universal program would eliminate a great deal of the paperwork burden on schools and reduce the stigma placed on children who are receiving free and reduced-price meals, there are other ways to address these concerns. The Federal budget cannot support a universal school lunch program and we cannot justify providing free meals to those students whose families are able to pay for such meals.

It is our hope that this demonstration program will be eliminated in the House/Senate conference on this legislation.

We would also like to express our concerns on the negotiated rulemaking provisions contained in H.R. 8. Although we understand there are benefits to negotiated rulemaking under certain circumstances, it is our belief that the provisions in H.R. 8 are too broad and could result in negotiated rulemaking on a larger portion of H.R. 8 than the Committee intended. In our view, this could impede the Department's ability to operate these programs in a timely and efficient manner. Again, it is our hope that these provisions will be modified in conference and restricted to a few important items.

Again, we support H.R. 8 as reported by the Committee but intend to work to modify the bill in conference with respect to the items mentioned above.

BILL GOODLING.
STEVE GUNDERSON.
HARRIS W. FAWELL.
SUSAN MOLINARI.
BILL BARRETT.
DUKE CUNNINGHAM.
PETE HOEKSTRA.
HOWARD P. "BUCK" MCKEON.
DAN MILLER.
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